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JAMBO AFRICA ONLINE

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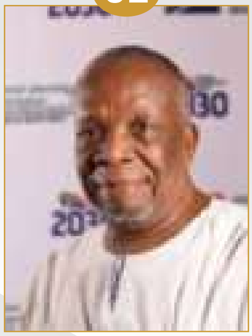

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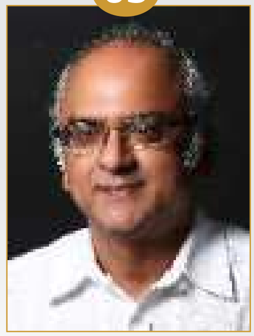

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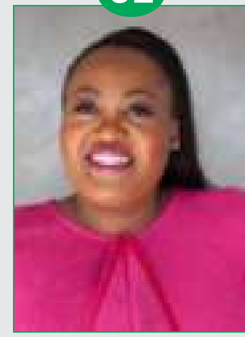

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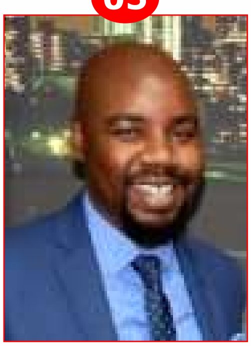

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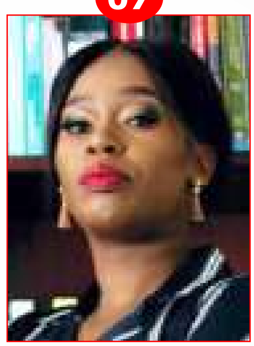

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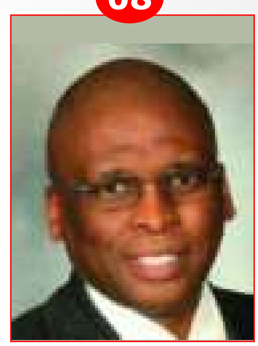

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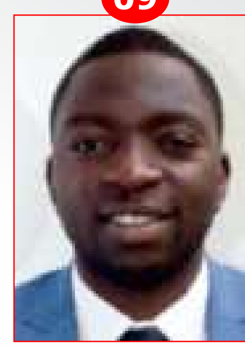

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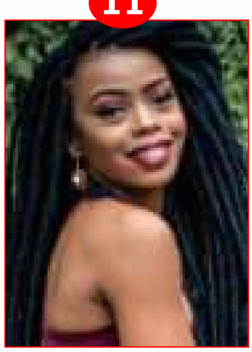

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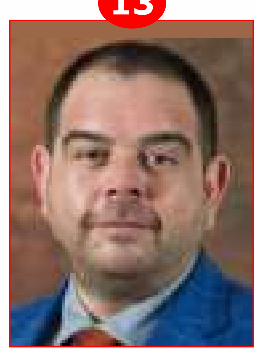

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Publisher's Comment

"The way to gain a reputation is to endeavour to be what you desire to appear..." - Socrates

Jambo
Hello, dearest readers.

In this month's comment I would like to echo my sentiment at the prestigious Africa Brand Summit 2020, convened by Solly Moeng, to which I was invited to be a panelist among distinguished thought leaders – who included Vusi Thembekwayo, Busisiwe Mavuso, Terry Booysen, Sisa Ntshona and Dr Hanan Morsy.

If you thought I was name-dropping in my opening salvo, fasten your seatbelt because this "month's comment" to read – this month's comment is an accelerated journey chronicling Africa's history and important role players in it.

I'll start with the reservoir of my inspiration, Burkina Faso's first post-independence president, Thomas Sankara (1949-1987), when he characterised some of the names appearing in this piece by musing: "You cannot carry out fundamental change without a certain amount of madness. In this case, it comes from non-conformity, the courage to turn your back on the old formulas,[and] the courage to invent the future. It took the madmen of yesterday for us to be able to act with extreme clarity today. I want to be one of those madmen. We must dare to invent the future…"

For now, turn the tide back to the turn of the first century, a Roman author, a naturalist, natural philosopher and a naval commander, a Gaius Plinius Secundus (AD 23/24 – 79), otherwise popularly known as "Pliny the Elder", mused "Ex Africa semper aliquid novi" – which means "out of Africa there is always something new."

This was inspired by the advanced civilisation he had observed in Africa. This is the kind of civilisation eloquently chronicled in the scholarship of Cheik Anta Diop and Martin Bernal's seminal work, *Black Athena*.

Now fast-track to the 1885 Berlin Conference which was dubbed "the scramble for Africa". This marked the imposition of colonialism which resulted in the deliberate stealing and appropriation of Africa's wealth; the dehumanisation and acculturation of Africa's people; and the destruction of their identity.

Then 1899, Joseph Conrad wrote the "Heart of Darkness" - his seminal novel that declared Africa was "a dark continent".

The turn of the 20th century began with Pixley ka Isaka Seme's iconic award winning speech in 1906 at Cambridge University that planted a seed for the "regeneration of Africa" and led to the formation of the national liberation movements in Africa - starting with the ANC in South Africa in 1912.

Fast forward to 1963, on 24 May, Ghana's first post independence President Kwame Nkrumah, at a conference in Ethiopia on the "regeneration of Africa" (to borrow from Ka Isaka Seme's coinage), called for the unification of Africa. The next morning, the Organisation of African Unity (OAU), was launched - this explains why the newly-established Secretariat for the Africa Continental Free Trade Agreement (AfCFTA) is headquartered in Accra, Ghana.

Then fast-track to 2002, the OAU - under the Chairmanship of President Thabo Mbeki of South Africa – was rebranded the African Union (AU).

Fast forward to 2019, under the Chairmanship of President Cyril Ramaphosa, the AU finalises the AfCFTA and it's ratified by the member states. The first Secretary-General of the AfCFTA was elected - and he happens to be a South African national, H.E. Mr Wamkele Keabetswe Mene.

These ladies and gentlemen, tell us history isn't happening per chance or it's coincidental - it's a deliberate act made by (hu)mankind – to paraphrase Karl Marx in his treatise, "the German Ideology".

The implementation date for the AfCFTA

was initially set for 1 July 2019, but the date was later rescheduled to 1 January 2021 (as a result of the COVID-19 economic lockdowns).

The AfCFTA integrates Africa into a free trade area of 1.3 billion consumers with a GDP of $2.6 trillion – this will be the world's biggest free trade area.

According to the International Monetary Fund (IMF), Africa was home to six of the world's top 10 fastest growing economies in 2019.

But brand Africa remains under siege. On 12 June 2018 President Donald Trump, as I alluded to in our September edition, told the world that Africa's nations and Haiti

"While Germany is known for its engineering; France with chic; Japan with miniaturisation; Italy with flair; Sweden with design; Britain with class; Switzerland with precision; Africa is known with famine, disease and terror."

were "s***hole countries". Perhaps I need to clarify that I continuously make reference to this because President Trump is the leader of the world's biggest economy. The University of Southern California published a detailed study how these disparaging remarks damaged Africa's image.

Furthermore, Simon Anholt, a world-renowned competitive identity architect, wrote: "While Germany is known for its engineering; France with chic; Japan with miniaturisation; Italy with flair; Sweden with design; Britain with class; Switzerland with precision; Africa is known with famine, disease and terror."

Granted, there are numerous challenges the continent is facing and these include: inadequate infrastructure development – road, rail, air and particularly the ICT sector which I will shortly focus on.

Because of these resulting from the legacy of colonialism, the intra-Africa trade is today still sitting at the paltry 14% according to the World Bank. This means billions of dollars flow out of the continent to pay for the imports made out of the beneficiated commodities that Africa has exported, and in most cases, we pay billions of dollars as licensing fees to the intellectual property owners across the world for those products produced in Africa. Thus, "Made in Africa" isn't synonymous with "Made by Africa".

If I am to give you an example with South Africa's wine exports. According to the South African Wine Industry Information and Systems, in 2019 the industry contributed R36 billion to the country's GDP and globally ranked the 8th in overall volume production of wine – this meant 3.3% of the world's wine production.

Exports of still (i.e. non-fortified) packaged wines for the 2019 calendar year reached 145 million litres – this constituted 45% of South Africa's wine exports out of the overall total of 320 million litres. In terms of Economic Partnership Agreement signed in 2014 between the EU and the SACU (whose members are the BNLS countries), only 110 million litres could be exported duty free into the EU. Thus the EU is by far the biggest SA wine industry's export destination at 74,8% of all wine exports.

This data tells us that 175 million litres of wine exported as non-fortified are then added antioxidants, which include resveratrol, catechin and epicatechin, bottled and branded as wines from such countries as France, Italy and Germany and then exported back into South Africa in which we pay premium prices for them. (The concept non-fortified wine simply refers to all wines produced through the standard winemaking by fermenting the grape juice).

Then the same brands are some of those who constitute the 86% of most popular brands in Africa. Why am I saying this? Remember, only 14% of the most popular brands in Africa are indigenous – this is according to Brand Africa, a reputable annual survey conducted by Brand Leadership Group, IC Events and Africa Practice and validated by, inter alia, African Leadership University and Henley Business School.

The irony here is that while Made in Africa product and service brands are struggling in Africa, it's a different story in the Asian market. Bloomberg reported it's not so in Asia. For example, the Shanghai-based company named its new toothpaste brand, Darkie, and emblazoned its packaging with a black-faced man sporting a top hat and a toothy grin.

The English name on the toothpaste's packaging was changed in the late 1980s after Colgate-Palmolive Company bought 50% of the brand, but the product kept its racially charged name in Chinese. It's still called Hei Ren Yagao - "Black Person Toothpaste"- in China and is one of the nation's top sellers.

United Nations Conference on Trade and Development (UNCTAD) estimates African countries lose $88.6 billion – which is around 3.7% of the continent's GDP – to illicit capital flight annually through a variety of methods – from tax evasion and deliberate mis-invoicing of trade shipments to criminal acts such as corruption and fraud.

While the AfCFTA will reduce over 70% trade tariffs, inadequate inter-state connectivity (such as rail, road and air), means "Made by/in Africa" brands may not adopt price as a competitive advantage strategy.

Why? A product manufactured in South Africa will first fly in cargo to Dubai, Paris or London before flown back, say in Niger – this is according to an article by S'bu Mngadi published in 2018 by the Sunday Times, means by the time this product lands in Niger it shall have increased its cost by over 350%.

This calls upon us as Africa to invest sufficient resources in our brand development and management effort. Perhaps we need to heed advice from Socrates when he mused: "The way to gain a reputation is to endeavour to be what you desire to appear..."

The most cost effective and efficient way is to adopt digital communications platforms as they transcend national, and even continental, borders. Needless to remind you, these strategic tools are cost efficient too.

We have to affirm our post modernist African look which appreciates the dynamism of our culture as it has intimately engaged with, and imbibed, the best from other world's cultures to nourish itself. We have, as fully-fleshed members of the global community, transcend our ethnic lines by celebrating "what we have become", as Stuart Hall muses. Vipin Gupta argued this is an expression of a superior "transvergent" culture - a synthesis, as students of dialectics will argue - that has resulted from a symbiosis of cultures expressed, in our case, through an African idiom.

We have to invest in ICT infrastructure to bridge the digital divide that leave 22 African countries with internet penetration of less than 20%.

We have to improve online access to government services and information; establish appropriate legal and regulatory framework to address digital intellectual property rights; data protection; consumer protection; cyber security, trust and privacy; and investing in skills development.

Despite dramatic growth over the past decade, only a quarter of Africans are connected to the internet, leaving the majority of consumers unable to shop online, access online delivery of services, benefit from e-Government, or make electronic payments.

So, major improvements in communications infrastructure are essential for digital trade to fulfil its potential to create jobs and boost economic growth.

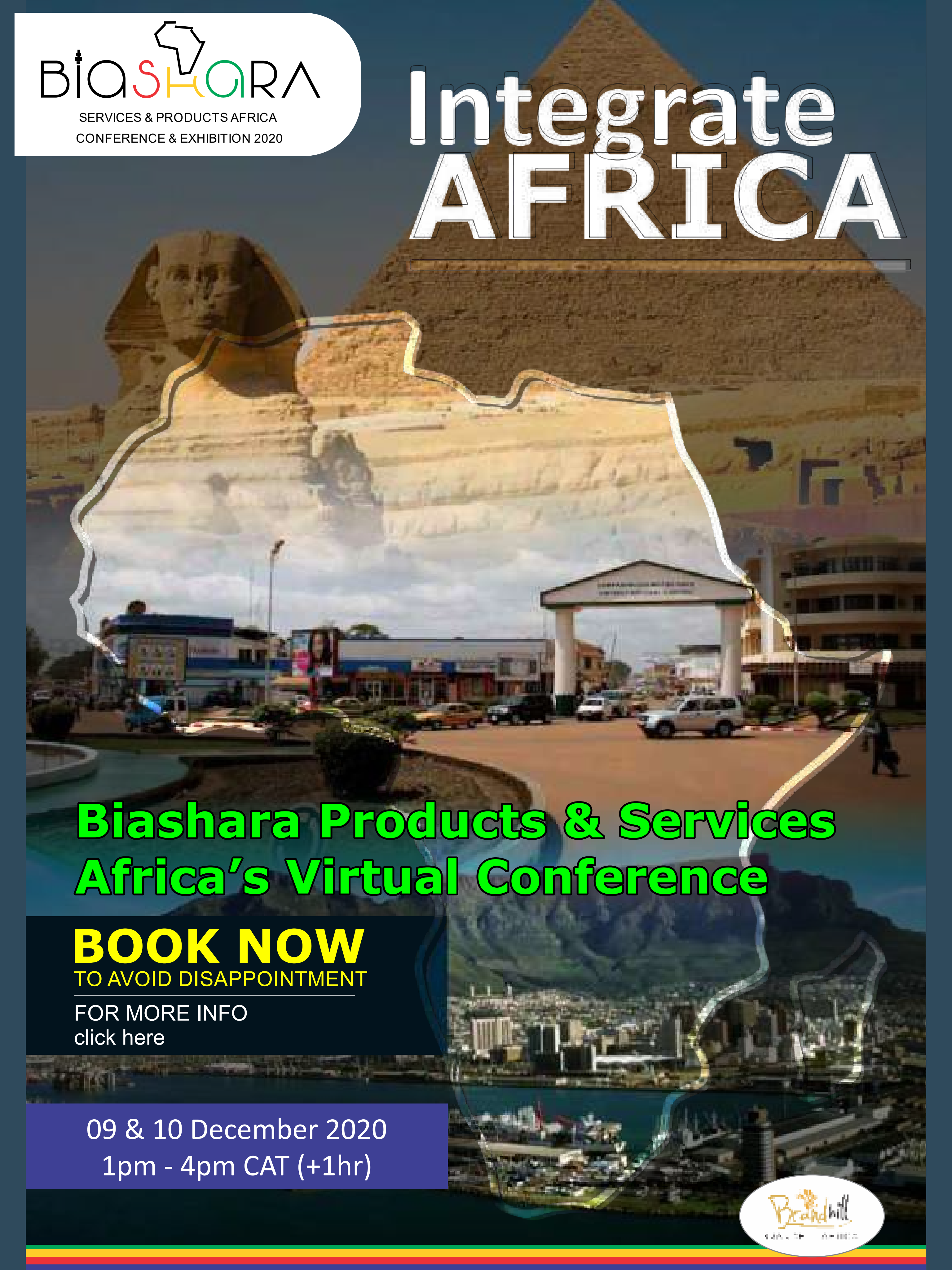
This is our call! This is what has inspired the establishment of Jambo Africa Online! We need you all onboard as stakeholders harbouring vested interest in Africa.

Just a quick update on Jambo Africa Online's publisher, Brandhill Africa (Pty) Ltd, on forging strategic partnerships. We're now a Supporting Partner to the African Agri Council; a Strategic Partner to Proudly South African and Brand South Africa; and, we're now an Associate Member of the World Free Zones Organisation (World FZO). We will continue reaching out to other pan-African organisations across the continent.

I can't sign off without revisiting Sankara's inspiring trail of thought by quoting Egypt's goddess of letters, Nawaal el Sadaawi, when she advised: "Creativity starts with disobedience!"

Till next time.

Saul Molobi
Publisher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Editor's Notes

Bonjour l'Afrique!
Olá África!
Hello Africa!

Welcome to our third edition of Jambo Africa Online. To our new readers, representatives of institutions from across the world and members of society who have confessed their undying love for Jambo Africa Online, we say welcome onboard. To our regular readers, we are thankful for your continued audience and support. Africans, within our continental borders and in the diaspora, we appreciate your support.

Significant strength for each plant lies in its roots. It is this strength that builds a strong stem which, together with leaves, are able to face the wrath of strong winds and storms. Using that analogy, would you say Africa's roots are strong? I believe they are.

Because they are hidden underground, the ignorant may think that these roots are useless or perhaps unimportant. At a higher level of ignorance, some may even feel that these roots do not even exist. In either case, the opposite is true.

Are we, as Africa, using the strength that we get from these roots correctly? Are we using these roots at all as our anchor to face the everchanging seasonal adverse weather conditions?

Colonialism takes place when those with access and control over a mode of living manipulate that control to exercise hegemony over those who don't have such a capacity resulting in the latter dancing to the tune of the former. Colonialism, ladies and gentlemen, remains alive and kicking. The culprits are doing it carte blanche with no fear for any repercussions for their misdeeds. Various pre- and post-independence African leaders have always warned that Africa's greatest challenge lies in her resolve to escape the endless traps set by the neocolonialists. The colonialists tend to allow the victim country to adopt a new flag, a new name and even give away their control of the administration. They, however, continue to control the economic and political direction of the said country. They do this without sitting in the Legislative Chambers of that country, but dictate the pace and shape of the country's development.

Former colonies continue to face various forms of control and economic oppression through various forms of remote control of the levers of state power by the former colonisers. The decapitation leaves the victim country unable to claim its rightful place in the control of its own resources. Digital colonisation has now taken centre stage. African consumer data, without the user's consent let alone knowledge, is getting stolen, sold or shared by business conglomerates masquerading as Apps. With the evergowing African cellphone industry, apps like WhatsApp and Facebook leading this despite the fact that they have become companions for many consumers in this digital era. Other Apps are even sharing the unsuspecting user's data in relation to their body weights, blood pressure, menstrual cycles, pregnancy statuses and economic profiles. To make matters worse, these consumers have also become victims to cyber criminals and other forms of felonies as their private details are commoditised and sold.

Digital colonisation also promotes what, in my view, constitutes daylight robbery. In some African cities, you get forced to hire a taxi using an App based in New York or Canada. And guess what, the taxi could just be 10m away from where you are standing.

Seriously? How much worse can it get?

The hard earned money from an unsuspecting African consumer partly pays the local taxi driver but also boosts the foreign economies using the fare.

As Africans, we find ourselves captive whilst they are telling our stories. Readers, I can assure you that this is likely to continue happening, as long as the victim countries do not narrate their own stories. The African story has always been authored, told and interpreted repeatedly by persons from right across the globe with African people forming part of the story teller's audience. Africa and Africans are used and abused by people from elsewhere who obviously use their own lenses to build such representations. They also build perceptions about Africa and they care less about accuracy as long as that brings money to their coffers. Mention the name Simba to any eight year old (anywhere in the world) and you'll be given a truck full of stories that relate to one of the most successful and rewarding animations ever, Lion King. Set in Africa, the story has excluded Africans in its construction but included the continents' inhabitants as a customer base from who, millions (perhaps billions) of dollars are gathered. Walt Disney, using Africa's symbols and names to give their fable originality and authenticity is, today, approaching the 2 billion (USD) mark in reward for telling this story.

What's worse is that they tell the fable whilst unapologetically and plagiarisingly using the works of Africans as an endorsement and a symbol of believability. It wouldn't puzzle us if that kid or an overwhelming majority of Lion King fans have never heard of the name, Solomon Linda. If you know the name you are part of a tiny fraction of the global population that has been allowed access to the secret. The same audience will (most likely), however, sing the song Mbube word for word still unaware that they've been deprived of real knowledge about this song. Let me rephrase - not really singing word for word because most of them are guided to proudly misfire the lyrics. They sing, "A-wemo-we! A-wemo-we! A-wemo-we! A-wemo-we!" instead of the real lyrics that say, "Imbube! Imbube! Imbube! Imbube!". The truth behind this is that in 1939 Linda, whilst working at a records company owned by Eric Gallo (an Italian immigrant) in Johannesburg, South Africa, composed the song Mbube (an IsiZulu word meaning lion) and 5 decades later the Lion King film owners appropriated this work of art to make it a signature song for the film. This African labourer was robbed of his earning potential during his living years. To add salt to a wound that had bled for decades, Walt Disney conducted further mischief by stealing from a man who passed on in 1962. Elizabeth Gugu, Linda's daughter, was not only emotional but depressed and consequently broke down in tears when she realised what Walt Disney were doing to her father's legacy. "When I saw the Lion King on television I was mad. It reminded me that they were using the song without our permission and stealing our money", said Gugu. They also went on to seek to legalise their insult to Africa by seeking to trademark an African expression, "Hakuna mathatha". This statement is in kiSwahili, a West African language, for "There is no problem".

Dear Jambo Africa Online reader, it is not exaggeration to say – Africa faces similar treatment on many other fronts (whether it is art, science, sport, business, telephony or Information Communications Technology).

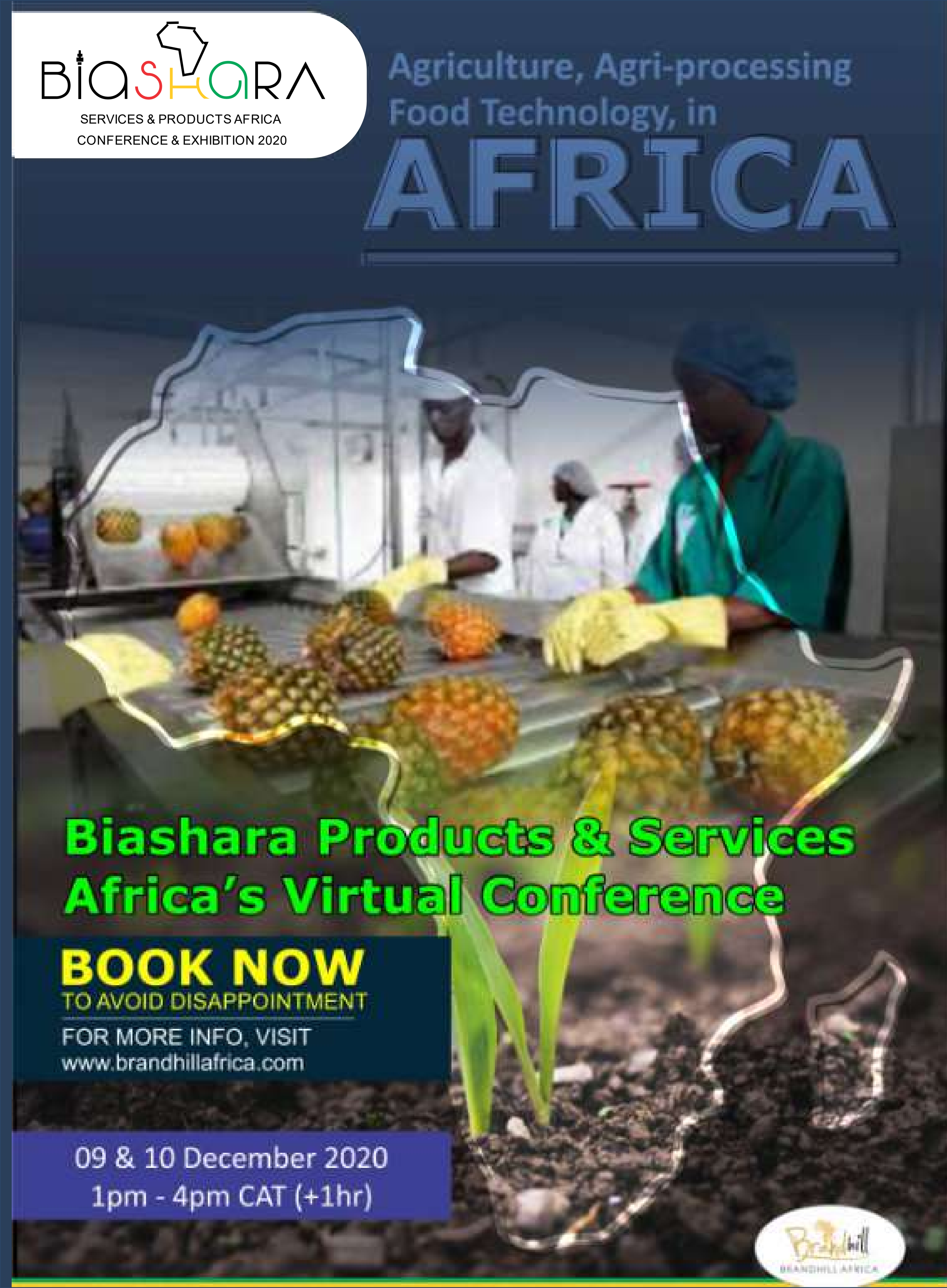
Africa is a hidden source of excellence whose quality is, with no shame, expressed to benefit intruders. With impunity, resources from this continent built and continue to build successful economies elsewhere across the world. Museums across Europe are holding on to African artwork that was stolen or bullishly snatched away from the home continent. Looters of African artifacts are selling them freely in auctions and other forms of sale without taking into cognisance that they are selling the story of a people. All that is reserved for Africa is contempt and a disapproving sneeze from even the neocolonial masters. Africans are treated like somnambulists who will not see when something is taken away from them.

This has always been the story of Africa and Africans (at home and in the diaspora). It's time to say - NO MORE.

Through the AfCTFA, let Africa reawaken its market for the benefit of all Africans today and in future.

We have grown so accustomed to products and services from outside Africa to a point that other parties' view of Africa is slowly becoming our perception of who we are or ought to be.

Africans continue to be unrepresented in shaping their economies. To represent oneself or your people in an economy gives you an opportunity to participate in building your society broadly. To develop defences against this daylight robbery, Africans decided to assemble their efforts through the African Continental Free Trade Agreement (AfCFTA). The AfCFTA is not an attempt to remove Africa from the world or reject the rest of the world but an honest posture aimed at heightening the strengthening and facilitation of equal participation in the global economy. As you go through this edition our economics guru, Francois Fouche, unpacks what AfCFTA is all about in summative terms. Fouche shows that Africa prioritises AfCTFA in order to allow for an easier movement of goods and services among African countries, favouring trade between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African countries, strengthening African brands and bringing control of the African market to the continent.

Aliko Dangote, a Nigerian business supremo, leads the way in showing the capacity that Africa has as a supplier to an economy as opposed to always being a consumer. Read about Dangote's continued success in asserting Africa's ability to lead her markets.

Innovative supply chain systems are a crucial element in the value chain process that can contribute to ensure the success of African businesspersons in acquiring products and services that are responsive to their economies' needs. Babalelang Kona, with her company, Theko, continues to input in this regard.

In 1996 former South African President (then a Deputy President to President Nelson Mandela later to be the Chairperson of the African Union), Thabo Mbeki, declared his commitment to Africa through his iconomic speech aptly titled "African Renaissance". He insisted that we must be "sufficiently enraged by Africa's condition in the world to want to join the mass crusade for Africa's renewal". He emphasised Africa's rebirth as a certainty than a possibility. The creation of an African market is the embryo towards this rebirth. In our Verbatim series, re-live this day as we bring you the speech.

Join us in celebrating the life of Africa's Soul Makossa dynamo, Manu Dibango. Mandla Zibi takes through this legend's career journey as he evolved from just a young man who loved music to a global icon that influenced the success of stars such as Michael Jackson.

Jambo Africa Online continues to serve as a guide to the AfCFTA by publishing stories and information that make it real as well as practical to both business and consumers.

The world is not complete without a strong and vibrant African market.

Harambee!

Andile Msindwana
Editor

A BROAD OUTLINE OF THE AfCFTA

by **Francois Fouche**, Director: Growth Diagnostis,
North West University Business School

By the end of January 2020, 54 (of 55) member countries of the African Union (AU) had signed the AfCFTA agreement. Once fully implemented, the AfCFTA is expected to cover all 55 African countries, with an estimated combined GDP of US$2.5 trillion and a population of over 1.2 billion.

In terms of population, it will be the largest free trade area in the world.
The AfCFTA can support the realisation of the continent's economic promise and has the potential to raise Africa's low productivity and promote higher investment, thereby helping increase income levels and reduce poverty.

The AfCFTA is an overall framework agreement of which various protocols, annexes, and appendices form an integral part.

Most of the details still need to be negotiated.

Thus far, agreement has been reached on the objectives, principles, and institutions and on a work plan for completing the negotiations.

The AfCFTA builds on negotiations of the Tripartite Free Trade Area (TFTA). The TFTA is composed of:
the Southern African Development Community (SADC),
the Common Market for Eastern and Southern Africa (COMESA), and
the East African Community (EAC).

The AfCFTA has 8 strategic objectives:
(1) creating a single market for goods and services, facilitated by the movement of people;
(2) contributing to the movement of capital and people and facilitating investment;
(3) creating a continental customs union;
(4) expanding intra-African trade;
(5) resolving the challenges of overlapping memberships in REAs (Regional Economic Arrangement);
(6) promoting sustainable and inclusive economic development;
(7) boosting industrial development; and
(8) enhancing competitiveness.

The AfCFTA also seeks to build on the integration already achieved by existing REAs, which are expected to contribute to its institutional structure.
In the long run, the REAs' trade functions are expected to be consolidated at the continental level.

The AfCFTA agreement has 7 operational objectives, which are:
(1) eliminate tariffs and non-tariff barriers to trade in goods progressively;
(2) liberalize trade in services progressively;

(3) cooperate in matters of investment, intellectual property rights, and competition policy;
(4) cooperate in all trade-related areas;
(5) cooperate in customs matters and the implementation of trade facilitation measures;
(6) establish a mechanism for the settlement of disputes concerning members' rights and obligations; and
(7) establish and maintain an institutional framework for the implementation and administration of the AfCFTA.

The agreement foresees the creation of a regional institutional framework for its operations.

Article 9 outlines an institutional framework for the establishment and functioning of the AfCFTA, which includes:

- the creation of an assembly (to provide strategic guidance on the agreement);
- a council of ministers (among other things, to ensure effective implementation and enforcement of the agreement);
- a committee of trade ministers (among other things, to implement the decisions of the council of ministers); and
- an autonomous secretariat, responsible for coordinating and implementing the agreement.

- The composition and role of these bodies are laid out in the agreement.
- The secretariat, to be established by the assembly, is the only organ of the AfCFTA that has been given a legal personality.

- While operationally autonomous, it would be financed by the African Union's budget.
-

- The council of ministers of trade determines the roles and responsibilities of the secretariat.

- That said, the agreement already contemplates specific roles for the secretariat under the protocol on rules and procedures on the settlement of disputes and the protocol on services.

  The AfCFTA Secretariat Building was officially commissioned and handed over by the African Union to Ghana in August 2020.

- The new secretariat is in Accra, Ghana.
- Wamkele Mene (a South African and ex dti) is the 1st Secretary General of the AfCFTA Secretariat.

  The AfCFTA envisages the gradual elimination of tariff and non-tariff barriers to trade on the continent.
- The agreement sets the path for the elimination of tariffs on 90% of tariff lines.

Countries can implement tariff reductions over a longer period for 7% of tariff lines and maintain existing tariffs for the remaining 3% of tariff lines, provided that the value of trade under these does not exceed 10% of the total trade with Africa. For services, member countries have also agreed to propose liberalisation through a request-and-offer approach, based on 7 identified priority sectors:

1. logistics and transport;
2. financial services;
3. tourism;
4. professional services;
5. energy services;
6. construction, and
7. communications.

The mechanism for reducing (non-tariff barriers) NTBs is laid out in Annex 5 of the agreement. It envisages the creation of institutional structures for the elimination of NTBs, a general categorisation of NTBs, reporting and monitoring tools, and facilitation of resolution of identified NTBs. Signatories are obligated under this annex to publish their NTB reduction plans. The annex outlines the broad categories of NTBs under the agreement as follows:

- trade and restrictive practices tolerated by governments,
- customs and administrative entry procedures,
- technical barriers to trade,
- sanitary and phytosanitary measures, and
- other barriers (including transportation).

- A protocol on free movement of people and an action plan for boosting intra-African trade (BIAT) have also been proffered alongside the AfCFTA.
- Adoption of this protocol and plan will help advance the cause of the AfCFTA.
- The protocol on the free movement of people seeks to extend visa-free entry to all African countries, a feature already in place in some REAs.

- At the same time, the BIAT plan contains elements of the AfCFTA agenda, including trade facilitation and customs harmonisation.

  The agreement will be implemented in 2 phases.
- Phase I, which went into effect at the end of May 2019, provides a framework for the liberalisation of trade in goods and services and a mechanism for dispute settlement.
- Phase II will cover competition policy, investment, and intellectual property rights. Negotiations for Phase II are scheduled to begin soon, with an expected conclusion date at the end of 2020. However, this may now be delayed due to the Covid-19 pandemic. The next milestone will be the creation of a continental customs union and then the ultimate transition to a continental single market. The dates for these milestones are undefined.

Potential challenges of the AfCFTA

To reap the full potential benefits of the AfCFTA, member countries must address the long-standing challenges that have troubled REAs (Regional Economic Arrangement), along with other emerging issues.

In particular, the work ahead should include the following.

Clarifying the process of absorbing existing REAs into the AfCFTA and their subsequent role.

The agreement (Article 19) states that REAs would be permitted to maintain their integration arrangements where such arrangements are deeper than those of the AfCFTA.

However, one of the general objectives of the AfCFTA is to “resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes” (Article 3).

There is no specific protocol on relations between the AfCFTA and existing REAs.
An additional issue is the status of the relationship between the AfCFTA and other regional trade agreements in Africa that have not been recognised as building blocks of the AFCFTA, such as the:

· Indian Ocean Commission.

· Southern African Customs Union (SACU).

· Mano River Union.

Implementing a rules-based system for trade under the AfCFTA would depend on a strong secretariat.

This is required to reap the potential rewards of the AfCFTA.

The scope and meaning of the legal personality (from which these powers would flow) of the secretariat needs to be clarified.

The secretariat should have the legal authority to conduct monitoring and oversight, along with the capacity to provide technical assistance and practical guidance.

Managing the political economy aspects of the AfCFTA without compromising its economic benefits.

The appropriate handling of the agreement's political economy will buttress the success of negotiations, smooth ratification processes, and keep the momentum of implementation of the various planned phases of the AfCFTA.

The trade literature shows that trade agreement negotiations are more protracted when there are more countries at the negotiation table and between countries that are poorer and less open (Moser and Rose 2012).

This is relevant for the AfCFTA, with its numerous members and relatively low income and trade openness.

Addressing the legitimate concerns of interest groups is important to ensure the political viability of the agreement.

While this may involve some trade-offs in terms of efficiency, it would be crucial to ensure that the economic benefits of the AfCFTA are not compromised in the process.

Resisting the temptation of making the AfCFTA an obstacle to trade liberalisation with countries outside Africa.

It would be a mistake to use the AfCFTA to shield domestic markets from global markets and competition, preferring an inward-looking approach to trade and development.

Instead, the creation of the AfCFTA provides an opportunity for Africa to negotiate trade agreements with overseas REAs from a position of strength.

The AfCFTA should be complemented by a gradual reduction in most-favoured-nation tariffs.

In this way, the AfCFTA would expand African countries' global trade share, especially with more technologically advanced economies, and promote income convergence.

Such trade connections could also help institutionalise the reforms required to ensure that the AfCFTA becomes a success.

Source: The African Continental Free Trade Area: Potential Economic Impact and Challenges: IMF Staff Discussion Note No. SDN/20/04; May 2020


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Aliko Dangote: Keeping Faith With Africa

By Mandla Zibi

As an entrepreneurial superstar, Aliko Dangote has been something of an outlier.

Persistently the richest African for the last 9 years in a row (with an estimated net worth of around $13 billion), you would be forgiven for thinking the Nigerian's immense fortune is built on oil, as is the case for many of his counterparts.

Dangote's business empire is primarily built from his company, Dangote Cement, although he started by selling commodities such as sugar, salt, and flour.

After graduating at 21 from Islam’s most prestigious Egypt’s Al-Azhar University, the entrepreneurial bug continued to bite greatly. After identifying a gap in the market, he took a loan of $3,000 from his uncle to import and sell agricultural commodities in Nigeria. The business venture became so successful that he paid off the loan within three months of starting the business.

Since 1981, the Dangote Group has grown in leaps and bounds to now own and operate over 18 subsidiaries cutting across a range of industrial sectors – including Dangote Sugar, Dangote Cement and Dangote Flour.

According to Forbes magazine, the cement subsidiary of the Dangote Group accounts for 80% of total revenue, producing 44 million metric tons of cement every year across 10 African countries. The publication ranks him the 100th wealthiest person in the world.

Dangote also owns the world's third-largest sugar refinery, and together, all of his publicly traded companies make up a quarter of the market capitalization of the Nigerian Stock Exchange. How did he arrive here? After President Olusegun Obasanjo’s government had introduced measures to protect the Nigerian market for local production in 1997, Dangote grabbed the opportunity and went from importing into producing sugar, salt, and


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It was during that time that he also moved onto cement production after being awarded a state-owned cement company. Using his own capital, he increased the manufacturing capacity of the company in 2005 into a multimillion-dollar entity by investing $319 million from his personal fortunes and securing a $479 million loan from the International Finance Corporation (IFC), a sister organization to the World Bank.

The Dangote Group is one of the largest private-sector employers in Nigeria as well as the most valuable conglomerate in West Africa.

Aliko Dangote turned a local commodities trading businesses into a multibillion-dollar business while most of his peers were obsessed with oil.

But now he is the one person poised to revolutionise the Nigerian economy by ending the irony of Africa’s biggest oil producer importing $7 billion of fuel a year. Dangote's latest project could enable Nigeria to meet its own fuel needs as well as supply its neighbours.

The conglomerate is expected to spend $15 billion building one of the world’s biggest oil refineries. Already, on a peninsula east of Lagos. Over and above his own cash reserves, Dangote secured a loan of $650 million from the Africa Export Import Bank (Afreimbank) for the oil refinery.

Already, 30 000 workers are employed during the construction phase on a project that could add $13 billion, or 2.3% to the gross domestic product, according to a 2018 estimate by London's Renaissance Capital. The Nigerian Central Bank Governor, Godwin Emefiele, has said that the project could employ more than 70 000 people when operational.

“Yes, the risks are high, the challenges are high,” says Devakumar Edwin, chief executive officer of the refinery complex, who’s worked with the billionaire for about three decades. “But the rewards are also high."

Even for Dangote, the petrochemical complex is ambitious. The site can only be described in superlatives. Nigeria’s largest-ever industrial project, it boasts a distillation column for separating crude into various fuels at different temperatures that is the largest of its kind in the world.

Refinery apart, the complex will also house a gas processor and the world’s biggest plant for ammonia and urea, which is used in making plastics and fertilizer.

Still, Nigeria’s previous attempts at motor fuel self-sufficiency have not been successful. The country's four state-owned refineries, opened in the 1970s, have run at a fraction of capacity before closing early this year for a revamp.

This is not Dangote' s first attempt at entering the refinery industry. In 2007 he bought one of the state plants only to see that transaction swiftly reversed by a new government.

"Earlier efforts to use industrial development as a way of cutting the country’s dependence on oil have mostly fallen short. Nigeria has sunk at least $5 billion into the Ajaokuta steel mill project on the banks of the Niger River since 1979, and it still isn’t in production," write Bloomberg Media's Elisha Bala-Gbogbo and Antony Squazzin.

Also stacked against the venture is that

Dangote is "entering a very competitive market at a time when refining margins are being squeezed by the collapse in oil prices."

According to the report, profit margins for refineries in July this year were at their lowest since 2010, with one industry insider describing them as "absolutely catastrophic".

The move also threatens to "displace the cartels that have dominated Nigeria's fuel-import business for more than two decades, a source of wealth for the politically connected and motivation for the continuing dysfunction of domestic refineries."

The Nigerian economy is in trouble. The country is reeling from the impact of the Covid-19 pandemic and the record plunge in oil, which accounts for more than 90% of its foreign exchange earnings. The country has devalued its currency's twice since March this year. And for the first time ever, it took a loan from the International Monetary Fund, which forecasts a 5.4% economic contraction this year.

Meanwhile, the Dangote Group is reported to be in talks with oil producers for the supply of crude to the refinery, although it hopes that within two years of beginning operations as much as 100 000 barrelsa day will come from two oilfields it bought from Royal Dutch Shell PLC.

Despite the heavy odds against it, the Dangote project could, "once up and running...be a strong symbol of industrial progress in a country that has had many false dawns in its quest to lessen its dependence on crude oil."

As an empire builder, Dangote's confidence in his own investment decisions is his obvious strength. During an interview with Al Jazeera News, he explained, ''We [Dangote Group] are not doing like other Africans who keep most of their money in the bank. We do not keep money in the bank. We fully invest whatever we have and we keep on investing."

A conscientious and responsible corporate citizen, Dangote has pledged $100 million to fight malnutrition in his home country. "I want to be known as the biggest philanthropist in Africa," he was quoted declaring.

Aliko Dangote's quotable quotes

- I can remember when I was in primary school, I would go and buy cartons of sweets [sugar boxes] and I would start selling them just to make money. I was so interested in business, even at that time.

- When you are raised by an entrepreneurial parent or grandparent you pick that aspiration. It makes you be much more aggressive — to think anything is possible.
- You have to dream big to be able to be big and that's what we're doing.

- When we finish this project, for the first time in history Nigeria will be the largest exporter of petroleum products in Africa.

- Incentives are what drive an entrepreneur to risk his capital.

- People throw a lot of mud at you and you have to see how you can clean it up… It is very simple to destroy a name. But it's very difficult to build it.

- When foreign competitors come into our market and dump their products, there is no incentive to build our own industry. Are we to be captive to foreign companies? No. If America is now rising up to protect her industries, why shouldn't African countries rise up to protect their own?

- You'd like to be remembered for things that you've actually done. We Africans are the only ones that can make Africa great.

- There are enormous amounts of opportunities here when you look at it. But unless we stay and contribute to our own countries, we're not going to get out of the woods.

Gauteng adopts strategy to improve licensing services

The Gauteng Department of Roads and Transport, Road Traffic Management Corporation (RTMC) and municipalities have adopted a strategy to deal with and render improved licensing services. This to resolve the backlog which is a result of the lockdown period until the grace period expires on 31 January 2021.

Mondays: Centres will avail slots for renewal of Driving Licence Cards and PrDP Applications. These will be available to applicants whose driving licence cards have not yet expired. Centres will avail slots for renewal services based on available resource and operational plans.

Wednesdays: Are declared "Pensioner's Walk-In Day". Centres will prioritize pensioners with their driving licence card renewals. Pensioners are not required to make prior bookings. Other services will continue as normal.

Thursdays: Centres with capacity to renew driving licence cards and process PrDP applications, will avail slots for Priority Renewal of Driving Licence Cards and PrDP Applications. Such slots will be available only to applicants whose driving licence cards have expired.

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Gauteng adopts strategy to improve licensing services

The following Tshwane DLTCs will be operating extended hours between 08h00 to 18h00 weekdays:

- Akasia (City of Tshwane)
- Bronkhorstspruit/Kungwini (City of Tshwane)
- Centurion (City of Tshwane)
- Waltloo (City of Tshwane)

The following DLTCs will operate from 08h00 until 13h00 on Saturdays:

- Akasia (City of Tshwane)
- Centurion (City of Tshwane)
- Bronkhorstspruit/Kungwini (City of Tshwane)
- Waltloo (City of Tshwane)
- Alberton (City of Ekurhuleni)
- Bedfordview (City of Ekurhuleni)
- Benoni (City of Ekurhuleni)
- Boksburg (City of Ekurhuleni)
- Brakpan (City of Ekurhuleni)
- Edenvale (City of Ekurhuleni)
- Etwatwa (City of Ekurhuleni)
- Germiston (City of Ekurhuleni)
- Kempton Park (City of Ekurhuleni)
- Nigel (City of Ekurhuleni)
- Springs (City of Ekurhuleni)
- Langlaagte (City of Johannesburg)
- Midrand (City of Johannesburg)
- Randburg (City of Johannesburg)
- Randburg Civic Centre (City of Johannesburg)
- Sandton (City of Johannesburg)

To improve the process and enhance the experience, applicants are encouraged to bring a signed and stamped optometrist or ophthalmologist tests to the centres. (Social distancing and #NoMaskNoEntry)

Observing a continent on the move: Start-up Hustle in the Silicone Cape

By Namatirai Zinyohwera

I met Philip Kiracofe, the CEO of StartupBootCamp Cape Town a few years ago. What started as a short elevator pitch, turned very quickly into a fury of tough questions and I immediately noticed that I did not have all the answers- I simply was not prepared. Fortunately, I was talking to a co-founder of an accelerator and there is no better place to fail and learn than in an accelerator.

I kept a sustained focus on trying to deliver the key message of my concept, but this simply did not cut it. Finally, Philip acknowledged my best efforts in trying to "feng shui" the situation into an investor pitch and he made it easy for me. I took on a R1000 challenge from Philip, to prove my concept on the streets of Cape Town, within a 24-hour time-frame- start clock!

"Now we are talking", I thought to myself. I had "hustled for tech" before at Feastfox, Universal Avenue and other start-ups, and was quite confident that I would be able to do a neat job. In less than 24 hours, with some agonizing bruises and bumps, I delivered my results.

- I initiated 3 ride-share experiences with complete strangers.
- I initiated 3 routes.
- I interviewed 3 drivers and 7 passengers in total.
- I made a profit of R10.

This was the single most significant practical learning experience of my ideation journey. I came closer to the solution and now more than ever, I understand more intimately the language of the problem I am trying to solve. I was fortunate enough to learn this from Philip, and would like to share this key learning with young entrepreneurs, armed with pen and paper (just as I am), to take the brave step forward in testing out their concepts.

The lesson is, get your head out of the desk and get started with the practical aspects of your concept. Produce a quantitative argument and allow the data to lead the way.

In a nutshell, all I had was an idea and whilst a concept is certainly a starting point, it is hardly one stable enough to generate broad-based investor interest. In seeking out further assistance from investors, incubators, accelerators etc. aspire to be a post revenue start-up, no matter how humble your margins (that should be your rule of thumbs). After-all, the profit is in the pudding and to appease the appetite of investors, you have to serve it with proof.

A post revenue status means that you have begun making headway towards a profit generating project, which can be used to measure inputs and outputs, towards achieving scale.

In tech start-ups, it seems to me that we often obsess over the use of technology, versus trying to present a practical solution to the problem. We focus on cool buttons and features, losing focus on the subject matter. The technology we implement is only a medium of delivering the solution. Instead we must take on problem solving headfirst, to acquire practical and replicable results from experiments that we conduct. In my experience, this will ensure less waffling and more bullet points.

Learning from other people's experiences, is always a great shortcut to the imagined destination. Mentors, YouTube Documentaries (I discovered Dan Pena here) and strangers, are such a great aide in helping us visualize the goals we need to set. There is no substitute for experience and out there is someone closer to your solution, than you could ever imagine.

As a conversationalist, random chats rule everything around me. Here you can unlock some of the most riveting, in-depth, character building insights and experiences. Paying attention to advice with constructive criticism, hard lessons can be learnt, inspiring a series of fortunate changes that can impact ideation exponentially.

Any well-meaning go getter is haunted by ideas, ideas, ideas, ideas. Whilst there may be many ways to skin them in 2020, you can bet your bottom dollar that there is no going far without strategy. Personally, I have always enjoyed playing strategy games from a young age, thus I have carried this habit from the virtual world to this one. But after all is said and written, there comes a time to roll up one's sleeves!

Taking the first step to proving your concept can be a daunting task, especially with the obvious lack of funding. In the safety of friends and family, one can get comfortable with sharing visions of grandeur. But looking further than that, is as important to the growth of the idea as it's first round of funding- seek to achieve traction.

As millennials, we have enjoyed a fair amount of slander and misunderstanding from the establishment. We have exhausted almost all descriptive words with negative connotations and have become an instant inspiration for new adjectives, which can better explain our alien personalities. I however remain optimistic about our future- we have done our best to survive the gravitating turbulence of the information age. With our minds constantly fixated by different stimuli, it is quite apparent that we constantly need to refocus ourselves, away from the fluff, to arrive at the real stuff.

An openness to continuous learning will get us there. In today's constantly changing landscape, it is certainly the best way to stay relevant and is a sure cure for any possible eventuality of insignificance or total obscurity of a thinking mind

Namatirai is a Business Development Consultant, specializing in tech startups & enterprises looking to scale into the African Continental Free Trade Area. A self-fashioned Pan-African Technology Evangelist, who believes that technology is the medium for Africa's Renaissance. Continues to campaign for data-led innovation, to be at the forefront of problem-solving in thinktanks across the continent.

Transport and Logistics: Key to regional integration

The Walvis Bay Corridor Group (WBCG) is a public-private partnership established in 2000 to promote the utilisation of the Walvis Bay Corridors to the Port of Walvis Bay in the Republic of Namibia.

The corridors, serving the port, is a network of transport routes from the neighbouring SADC countries of South Africa, Botswana, Angola, Zimbabwe, Zambia, Democratic Republic of Congo and Malawi. The corridors include:

a. the Port of Walvis Bay

b. the Trans Kalahari connecting Botswana and South Africa

c. the Walvis Bay-Ndola-Lubumbashi Development Corridor connecting Zambia, Zimbabwe, Malawi and the Democratic Republic of Congo

d. the Trans-Cunene connecting Angola, and

e. the Trans-Oranje Corridor, connecting South Africa.

All the above corridors are served with a good road infrastructure.

A reliable gateway

The Walvis Bay Corridor routes are positioned to give the country a competitive edge as a transport hub for all regional and international trade between Southern

African Development Community (SADC), Europe, the Americas, and the rest of the world. Through our world class commercial port at Walvis Bay, international shipping connection and the added advantage of being a gateway to the west coast of Africa, Namibia plays an increasingly important role in trade, linking the global economic centres with close to 300 million consumers in southern Africa.

Facilitating growth

The core function of the WBCG is business development, marketing, promoting trade facilitation and infrastructure development along the corridors in order to provide landlocked SADC countries access to transatlantic markets. Our public- private partnership set-up allows us to pool resources and authorities of both transport regulators and transport operators, thus effectively serving as a facilitation centre and one-stop shop coordinating trade along the Walvis Bay Corridors; linking Namibia and our ports to the rest of the Southern African region.

Developing SADC's newest logistics hub

With the rapid growth in cargo volumes along the Walvis Bay Corridors through the Port of Walvis Bay and the benefits that the trade routes have to offer, Namibia has been identified to become the Logistics Hub for Southern Africa. The Port of Walvis Bay, with its deep-water depth and stable weather conditions, is strategically located to accelerate the growth of the SADC region by providing a good option of gateway for Southern Africa, hence costs and time savings are achieved along the Walvis Bay Corridors by offering the shortest possible regional route on the west coast.

Spearheading the effective implementation of the Namibia Logistics Hub Initiative, the WBCG engages in business development activities to encourage improved business relationship with the nation's neighbour states, facilitate corridor infrastructure development and increase the cargo for ports linked to the Walvis Bay Corridors. We serve as a central chamber for the transport industry with an aim to develop Namibia as a gateway to the SADC region in terms of trade and exports.

Corridor support projects

WBCG fittingly has a portfolio for projects and funding, to identify, formulate and manage corridor projects in order to ensure and mobilise international support and funding.

To further accelerate corridor development, the Ministry of Industrialisation, Trade and SME Development in Namibia, with the support of the Department of Trade in South Africa, has mandated the WBCG to identify ways of attracting investment along the Walvis Bay Corridors through the Spatial Development Initiative (SDI) programme. The SDI programme aims to increase the scale of economic activity and improve the diversity of economic activity along these corridors, thereby enhancing the economic growth of the region. The initial focus in terms of economic activities is on the mining, tourism, manufacturing, agriculture, fisheries and logistics sectors.

"A healthy workforce is a productive workforce"

Through the WBCG's broad membership it offers a platform that facilitates and supports the the provision of general wellness interventions along its corridors. The WBCG Wellness Service Programme is proactively involved in mainstreaming the

HIV/AIDS response by assisting transport companies in Namibia to design and implement workplace HIV/AIDS wellness interventions. By doing so it reaches a wide, traditionally and generally perceived, high HIV and AIDS mobile group within the transport sector of Namibia.

The programme centres on developing and communicating a clear workplace policy, peer education, access to voluntary counselling and testing for the Namibian transport sector by facilitating the effective development and implementation of Wellness and HIV/AIDS workplace programmes. To address the health needs of hard to reach populations, such as long-distance truck drivers, the project has implemented a mixed model approach with a principle of combining static wellness centres and mobile wellness clinics with on-site HIV/AIDS and wellness workplace interventions.

Through the support from both the public and private stakeholders including the development partners, the WBCG advocates and facilitates sustainable wellness initiatives. These smart partnerships also aim to provide technical assistance and strengthen the capacity of the WBCG to enable it to effectively facilitate the response of HIV/AIDS and other general wellness conditions within the workplace

In the driving seat: Profile of the CEO

Mbahupu H. Tjivikua is currently the Chief Executive Officer of the Walvis Bay Corridor Group. The Walvis Bay Corridor Group (WBCG) constitutes a Public Private Partnership (PPP) of transport and logistics stakeholders, who jointly work towards developing the various corridor routes through the ports of Walvis Bay and Lüderitz, while facilitating fast, safe, reliable and efficient transport along these routes.

As the CEO of the WBCG, he is leading the growth and development of new business along the main corridor routes in Namibia. The Walvis Bay corridors are an integrated system of well maintained tarred roads and rail networks from the Port of Walvis Bay via the Trans Kalahari, Trans-Cunene, Trans-Oranje and the Walvis Bay-Ndola-Lubumbashi Development Corridor providing landlocked SADC countries access to transatlantic markets. These Corridors are positioned to give Namibia a competitive edge as a transport hub for all regional and international trade.

The Walvis Bay Corridor Group additionally manages a Wellness Service initiative, which aims to facilitate the effective development of employee workplace and transport corridor based HIV/AIDS and general employee wellness programmes. By doing so it reaches a wide, traditionally and generally perceived high HIV and AIDS most vulnerable populations operating along the major transport corridors with health and wellness initiatives.

Mr. Tjivikua has close to 20 years of experience in the corporate sector, with 11 of those years spent in the transport and logistics industry. He was previously the Executive for Commercial and Marketing at TransNamib and also served in other senior roles such as Executive: Strategy and Stakeholder Management and Senior Manager: Operations.

He holds a Master of Science in Operations Management and Leadership from the Worcester Polytechnic Institute (WPI) Business School in Massachusetts, USA and an Honours Degree in Education from Rhodes University, South Africa. He also holds a Certificate in Project Management from the University of Stellenbosch Business School and a Certificate in Financial Management from the Namibia University of Science and Technology.

African princess occupies the highest position in global trade matters

By Dithako Nakedi

Dr Ngozi Okonjo-Iweala was not satisfied with only being a princess, but actually had other ideas – she aimed at occupying the highest position of the World Trade Organization (WTO), in what could be a first for Africa and the world.

Having been born to the royal Obahai family of the Ogwashi-UKwu, in Nigeria, where her father is the Eze King, Ngozi-Iweala is one of the last two candidates shortlisted for the coveted WTO hot seat of the Director-General.

Across the dark continent, millions of people are crossing their fingers for the African Princess with the hope of seeing Africa participating meaningfully on matters relating to the world trade laws and rules and the subsequent stimulation of the continental economy.

Ngozi’s success will usher a realignment of multilateral power dynamics which could see Africa being included in formulation of the key economic and financial trade rules.

Her campaign for the Director-General’s position also coincides with the impending implementation of the Africa Continental Free Trade Agreement (AfCFTA) that will transform the continent into the world’s biggest free trade area. This means Africa will embark on trade negotiations as a trade bloc.

Ngozi-Iweala’s father, Professor Chukwuka Okonjo is the Eze (King) from the Obahai Royal Family of Ogwashi-Ukwu.

She was educated at Queen's School, Enugu; St. Anne's School, Molete; and, the International School Ibadan. She arrived in the US in 1973 as a teenager to study at Harvard University, graduating magna cum laude with a BA in Economics in 1976.

In 1981, she earned her Ph.D. in regional economics and development from the world’s prestigious university, Massachusetts Institute of Technology (MIT), with a thesis titled “Credit policy, rural financial markets and Nigeria's agricultural development”.

She had received an International Fellowship from the American Association of University Women (AAUW), that supported her doctoral studies.

She is married to Dr. Ikemba Iweala, a neurosurgeon, and they were blessed with four children – one daughter, Onyinye, and three sons, Uzodinma, Okechukwu and Uchechi .

The Chairperson of the African Union and President of South Africa, Matamela Cyril Ramaphosa, was full of praise for Dr Ngozi Okonjo-Iweala on her advancement to the third and the final stage of the selection process that could see Africa occupying

Dr Ngozi Okonjo-Iweala

the helm of the WTO.

President Ramaphosa reportedly stated that Dr. Okonjo-Iweala was a highly distinguished African, who excelled in various public offices, in her native Nigeria, including responsibilities at the AU, and in numerous international assignments.

"At a time when international organization's need to be repurposed, Dr. Okonjo-Iweala is the right person to reposition the WTO in order to be an effective instrument for facilitating a fair, just, equitable and rules-based trading system," President Ramaphosa asserted. "I have no doubt that she has the credentials and capability to restore order in an otherwise turbulent multilateral trading system."

President Ramaphosa encouraged all member states of the African Union to rally behind Dr. Okonjo-Iweala during the final round of nominations, which will see for the first time in the history of the WTO, the appointment of a female Director-General – and most likely, and preferably, one coming from the African continent.

Furthermore, President Ramaphosa expressed his optimism that other regions and countries will also unite and support the African candidate, whose leadership of the WTO will assist in the full integration of the continent as an important player in the global multilateral trading system, particularly at the time when the continent is working on operationalizing the biggest free trade area in the world through the AfCFTA.

Other high calibre contestants from the African Continent who vied for the position before the final two were announced included Mr Abdel Hamid Mamdouh of Egypt and Ms Amina Mohamed of Kenya.

Dr Ngozi-Iweala worked for the Nigerian government as both Minister of Foreign Affairs and Minister of Finance. She's going toe-to-toe with the South Korean, Yoo Myung-hee, in the battle for the position of the WTO's Director-General.

Both women were picked from a group of five that included Kenya's Amina Mohamed and the UK's Liam Fox, and the contest between the two is expected to be very close since the two appear to be divided by a very thing margin.

The WTO's members are set to vote on the selection of a director-general after consultations with various internal bodies running until October 27.

Ambassador David Walker, chairperson of the general council, was reported as saying that the ultimate objective of the selection process is to make sure that the head of the global trade body is chosen by consensus.

"Our aim continues to be to encourage and facilitate the building of consensus among members and to assist in moving from this final slate of two candidates to a decision on appointment," he announced.

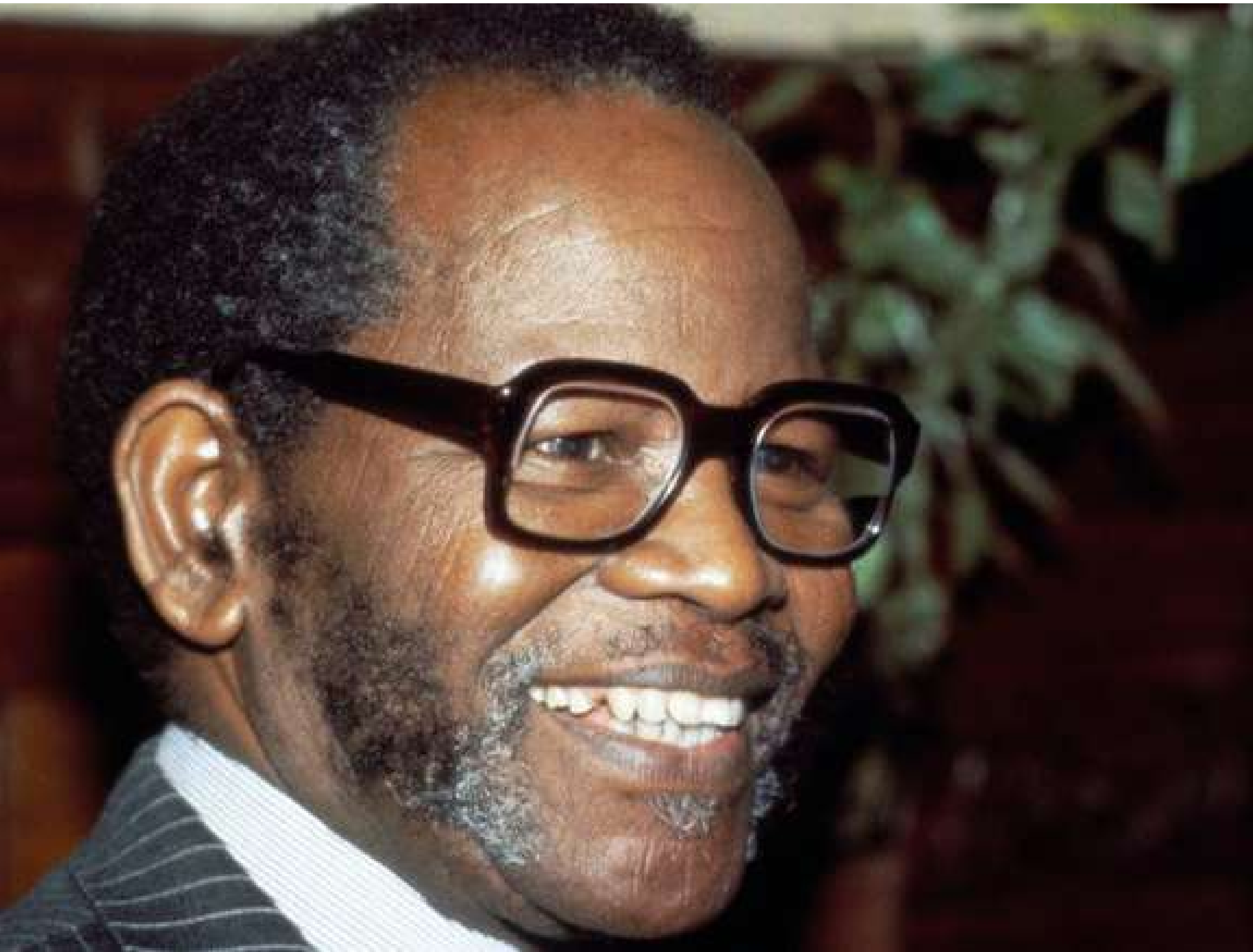
Okonjo-Iweala is an economist and international development expert, known in Africa for her time as Nigeria's minister of finance under former presidents Olusegun Obasanjo and Goodluck Jonathan. She's also a former Managing Director of the World Bank.

She sits on several board of trustees that include the Global Alliance for Vaccines and Immunization (GAVI) and the African Risk Capacity.

Now that only one African candidate remains, the division is expected to give way to the overwhelming undivided continental support for Okonjo-Iweala, boosting her chances of being elected.

Oliver “OR” Tambo:

Thinking beyond the challenges of the moment



WELILE NHLAPO pays tribute to a humble giant of the South African revolution during his birthday, 27 October.

This year Oliver Reginald Tambo, the longest serving President of the African National Congress, who led the External Mission of the Liberation Movement during his long years of exile, would have turned 100 years on October 17th. In recognition of his selfless and exemplary revolutionary conduct in the service of the people of South Africa and the rest of humanity, the National Executive Committee of the African National Congress declared 2017 as the Year of Unity in Action in his memory and honour.

Today`s occasion marks one of these celebrations that will be organised for the whole year. We will be doing this, to draw inspiration from his unswerving dedication to the cause of freedom in our country and continent. He will be celebrated as a committed Pan-Africanist, Internationalist, Diplomat, Strategist, Statesman, a revered Commander of our liberation forces, leader of the ANC and icon of our struggle.

Allow me to share with you the privilege I had to interact with him in various capacities at different times and occasions.

I first met Oliver Tambo in October 1976 in Lusaka, Zambia. I was part of a group of young people who were in transit from Botswana to Tanzania to join the military wing of the ANC. He met us at the airport and drove us to one of the ANC residents to refresh, have food and back to the airport. This first encounter left a lasting impression of a caring father and a leader who was prepared to listen to the views and experiences of young people. This in time defined the qualities and the real character of this leader.

He was always very complimentary after any task he felt was well executed, a very motivating and empowering gesture. This who will do without fail. He commanded a skill of getting people to express their views on any issues under discussion. This he did in consultations during delegations he led. There was no free ride. This also happened in every meeting he chaired.

During the 70th anniversary of the ANC, he argued for the need for a symbol that will brand the organisation. A group of artists were commissioned from different locations to make proposals for such an emblem. On viewing the material that came through he ordered that a few from each centre be brought to Lusaka to engage with the leadership. Serious political discussions led by him, engaging the artists to express in a graphic form the programme, the objectives, the means and the alliance that was charged with the executing of the struggle. The end programme was the current emblem which is today the symbol of the organisation. He led from the front by force of example brought the best of each individual within the collective.


Galaxy Note8

The English and maths teacher he was defined his command, logic and clarity of his communication skills. He will say exactly what he wanted to communicate in a very captive and an unambiguous manner. This is what distinguished his oratory. This also created a problem for anyone who presented him with him a draft written document. He will correct the grammar, shift full stops and commas around and mark in a in a red pen for the author to correct.

He loved choral music with passion and would conduct choirs in ANC camps and other establishments even for recording purposes. As a teacher he won trophies in choral music competitions and would cherish any opportunity to do this. Every time he got recordings, he would share with those whom he had identified to have an equal passion for choral music.

Oliver Tambo spent most of time away from his family. Any occasional moments he had to join his family mostly on transit through London, made any observer to appreciate the loving father and husband he was. He would always be in the kitchen washing dishes after food had been served. He sincerely enjoyed doing that. He would at the same time be concerned about his bigger family, members of the organisation he led.

OR buried his cadres whenever and wherever possible particularly those killed in cross border raids by the forces of the Apartheid regime in countries neighbouring South Africa. He took personal responsibility for the consequences of orders he gave. He made sure that he personally met families to convey his condolences. At all material times the families and indeed the nation appreciated this rare compassion.

Oliver Tambo, the visionary, was always ahead in thinking beyond the challenges of the moment. He would guide the organisation about how to prepare to deal with future challenges, without compromising focus on the immediate tasks that needed attention. That is why he prepared us for the eventuality of a possible negotiated peaceful political settlement and at the same time mobilising for the intensification of the armed struggle.

He strongly believed in the power of the people and the need to organise them on all fronts and sectors. He led the building of one of the most formidable, broad Anti-Apartheid Movement in solidarity with our struggling masses and for the isolation of the regime. He managed to forge an incredible unity in action of all the forces around the objective of building of a non-racial, non-sexist and united democratic society in our country.

These are but few examples of the attributes of this great giant of the South African revolution. I chose this approach to capture the ordinary mortal he was. We sometimes correctly focus on leaders of revolutionary movements mainly around what clarifies their skills and feats as commanders in armed conflicts. We therefore have the responsibility to underscore the humanity and humility that compels them to make difficult decisions for the sake of freedom and justice for the oppressed people they were destined to lead.

This is the Oliver Tambo whose memory and legacy we celebrate today.

This is the refined speech given in "Commemorating the life of Oliver Reginald Tambo on the centenary of his birth: A tribute to his legacy at ACP House, 27 April 2017" in Brussels.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THE BROWNSENSE GROUP - GIVING BLACK BUSINESSES ACCESS TO MARKETS

By Keitumetse Diseko

BrownSense was founded by Mzuzukile Soni in January 2016 as a secret Facebook group with the aim of giving Black entrepreneurs access to markets. Since then, the community has seen tremendous growth to over 198 100 members who refer to themselves as Brownies, who hail from all provinces in South Africa, around the African continent and the Diaspora.

Brownies identify with the rallying call of BrownSense to #CirculateTheRand within the Black community in order to increase meaningful economic participation among previously marginalised groups in South Africa.

We want to see the domino effect that will ensure the development of sustainable Black businesses that contribute to the development of an inclusive and thriving African economy. After we started The BrownSense Market in 2016 in Johannesburg and Cape Town, it became clear to us that these platforms were integral to the gathering of data and insights on the needs of African entrepreneurs and startups.

Through a partnership with ICT-Works PTY Ltd, a women-led organisation that provides innovative technology solutions to the public and private sectors, our e-commerce platform, BrownSense.Africa was built and eventually launched on 25 May 2020, during the lockdown that resulted from the Coronavirus pandemic.

BrownSense.Africa is the Pan-African eCommerce platform where B2C and B2B meet, enabling those who identify with our mission to #CirculateTheRand to buy and sell from pre-qualified, vetted Black businesses. That we launched this endeavour on Africa Day was no coincidence: BrownSense.Africa answers the call that so many African leaders of previous generations have made for a continent united in a vision for a future of shared prosperity. In building the BrownSense.Africa platform, we sought to provide entrepreneurs at all levels with the tools and ecosystem to enable them to scale their business through access to diverse markets domestically, and through the facilitation of trade across the continent.

Trade liberalization and e-Commerce

Intra-African trade penetration is historically incredibly low - around 2% during 2015-2017 according to UNCTAD. According to the Trade Law Centre

(TRALAC), in 2018, only 15% of Africa's exports were intra-Africa, with the bulk of that trade being exports among African countries belonging to the same regional economic communities (REC). Factors contributing to the regionalised trade in Africa include preferential tariffs, geographic proximity and lack of infrastructure to support cross REC trade. Intra-Africa trade liberalisation is gathering momentum through the African Union's African Continental Free Trade Agreement (AfCFTA), which presents a plethora of opportunities for small business in industries across the continent. There is no better time to consider growing enterprises beyond borders.

E-commerce penetration on the continent is low - some stats claim it's just 1% of the total retail market. This is due to a number of factors, including a lack of infrastructure, traditionally expensive intra-African travel costs, expensive data in some parts, and of course challenges in the last-mile delivery space. All these problems are actually solutions waiting to be found, engineered and delivered to the youngest population in the world, for us, by us. It is therefore no surprise that the doyen of Asian e-commerce Jack Ma gets excited when considering the potential posed by e-commerce on the African continent, routinely visits the continent and has gone on to implement a number of initiatives supporting African SMMEs in the space.

BrownSense.Africa is positioning itself as an industry leader in the African B2C and B2B e-commerce, with our phase 1 focusing on SADC, and then with other regions to follow.Our domestic and pan-African partnerships will allow us to deliver a seamless experience: our local tech-enabled warehousing partners provide unmatched picking and packing services, while pan-African partners such as Nigerian fintech startup Paystack are agile enough to build payment solutions that will eventually allow us to serve the needs of customers in different geographic regions.

BrownSense.Africa will deliver an end-to-end solution that supports SMMEs, promotes trust and transparency through our BrownSense Verified seal, provides opportunities for cross-border networking for sales and the services sector and encourages value chain development in various countries. Key to this has been nurturing a community that is deliberate in its approach to building a conscious and localised consumerism on the African continent. As we say at BrownSense, "The Beautyful Ones Are Born", as we quote the legendary Ghanaian novelist, Ayi Kwei Armah.


BROWNSENSE
AFRICA

Brownsense's brand custodian

Keitumetse Diseko is the Chief Marketing Officer at BrownSense Group, a platform dedicated to creating access to markets for black entrepreneurs, where she is responsible for strategy, marketing and insights.

In her private capacity, Keitumetse is an entrepreneur and in her company Orlando Home & Soap Co, she manufactures African-rooted natural soaps, body care and affordable luxury home care products.

Keitumetse is a passionate pan-African whose love for developing the African continent and its people permeates her every endeavour. She sits on a number boards for community-based organisations and cooperatives.

Keitumetse Diseko cut her teeth in the African music television industry as an intern, and then producer for an international music television company. She later took her experience to the NGO sector, where she worked in the PR and fundraising space for a youth-centered arts organisation in Johannesburg.

She has an academic background in media and development studies, and is alumna of Fudan University in Shanghai, where she studied Chinese language and culture. Keitumetse is a Mandarin speaker with vast consulting experience in South Africa-Sino relations in the international trade marketing, cultural diplomacy, communication and education fields.

Her work experience in China encompassed creating market access opportunities for South African SMMEs in the agricultural and agricultural fields, arts as well as brand positioning in various China markets. As a consultant, she has structured community development projects in Port Elizabeth in the food security space.

She continues to consult in the Afro-Sino trade, cultural and education sphere.

Her work and story have been featured in Asian and South African publications. She has addressed Unilever executives on food security, inclusivity in their food supply chain, and taken part in an entrepreneurship panel hosted by the company.

Keitumetse is passionate about playing her part in the creation of a South African economy in which all citizens thrive, and strongly believes that this can only be possible if the previously disadvantaged have access to funding, education, and entrepreneurial development coupled with access to markets.

Fiscal Revenue Impact of the AfCFTA

Furthermore, in this series of AfCFTA-related content, we look at the potential effect of the continental trade agreement on fiscal revenues.
All insightful comments from a recent IMF Staff Discussion Note, "the African Continental Free Trade Area: Potential Economic Impact and Challenges".

"The reduction in trade barriers stemming from the AfCFTA would affect tax revenues via 4 channels:

1. A direct reduction in tax revenue is to be expected from the removal of tariffs on intra-continental imports.
2. Trade diversion owing to lower tariffs would also reduce fiscal revenues.
3. Higher GDP, owing to increased efficiency, and larger economies, would lead to more fiscal revenue.
4. Higher consumption, because of increased imports and income, would also raise fiscal revenue.

Importantly, the last 3 channels would reflect the impact not only of tariff removal but also of (Non-Tariff Belated) NTB removal.
In summary, the net impact of the AfCFTA on tax revenues would depend on the combined effect of the 4 channels.

Most studies estimate AfCFTA-induced tax revenue losses from tariff reduction using CGE models.
Estimates tend to focus on tax revenue losses from tariff removal. These losses range from 0.03% - 0.22% of GDP (or about US$1 billion to US$7 billion) for the continent.
These relatively small estimates reflect the already low level of intraregional tariffs in Africa and the modest level of intraregional trade.
Results also reflect limited trade diversion.

When both tariff and NTB reductions are considered, general equilibrium analysis yields different results.

In this setting, tax revenue increases for virtually all countries; the modest revenue losses from import tariff removal are more than offset by increases in revenue from higher consumption and income (Abrego and others 2019).
In addition, revenue increases tend to be proportional to welfare gains and feature relatively large differences across the continent.
However, given that income gains may take time to materialise, revenue increases may not compensate for tariff removal losses in the short term.
Therefore, adequate revenue mobilisation reforms may still be needed, even if the


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AfCFTA's net effect on revenue is positive in the long term.

The AfCFTA presents opportunities and challenges.

It has the potential to increase welfare significantly for its member countries insofar as NTBs are substantially reduced.
That said, the implementation of the AfCFTA could also result in costs, including potentially higher income inequality and transitional unemployment.
Therefore, to reap the benefits of the AfCFTA fully and mitigate its related costs, African countries need to pursue a concomitant ambitious and broad-based reform agenda.

So what can member countries do to maximise the economic benefits of the AfCFTA?

To tap the potential benefits of the AfCFTA, there are 2 areas that need to be tackled urgently.
These are:
1. Reducing the infrastructure deficit (notably roads & ports) &
2. Reducing other critical NTBs, such as customs and administrative requirements, that directly affect the capacity of economies to move traded merchandise within and outside their borders.

Reducing Africa's large infrastructure deficit in roads and ports can increase competitiveness across the continent.

With relatively low road density (IMF 2019), African countries need to extend their road network—while upgrading existing roads—to improve access to African and global markets. This should be accomplished by scaling up existing continental infrastructure initiatives within a strategy aimed at strengthening rural-urban links, developing trade corridors, and incorporating a continental perspective. This effort could be particularly important for reducing trade costs in landlocked countries. Improving ports and their efficiency would also help reduce trade costs. Port development should be part of a coordinated African transportation strategy to ensure efficient use of resources and reduce costs and time at customs. It is also important to eliminate bottlenecks faced by many landlocked countries in reaching their transit ports. At the same time, regulatory frameworks and institutional capacity should be strengthened to attract private sector participation in the construction, operation, and maintenance of transportation infrastructure. That said, efficient public investment in areas unlikely to receive private financing (for example, rural roads and rural telecommunications) should continue, along with improvement of public investment management.

Improving trade facilitation is another priority area for reform.

Addressing onerous customs procedures and boosting efficiency could reduce costs and facilitate trade.
African countries could take a number of steps to achieve this, including:

- making sure that all customs locations have information technology systems that support core processes and are adequately used by traders and officials;
- adopting and enforcing effective governance policies for customs and other border agencies;
- enhancing customs control of preferential origin rules to prevent revenue losses and build trust among trading countries;
- introducing modern risk-analysis techniques and appropriate equipment for nonintrusive inspections and faster

turnaround in laboratory sample testing; and

- deepening modernisation efforts, with a focus on reducing costs and delays faced by international traders.

This will require pressing forward with modernisation processes, intensifying training, and implementing quality-based management.

Other deficiencies in customs procedures and operations could be addressed by increasing the professionalisation of customs agencies.

Ensuring a strong governance framework for the AfCFTA is also important.

The resolute implementation of the provisions of the AfCFTA could help improve the business environment in Africa, if it reduces uncertainty over trading rules and market access. Making the AfCFTA a framework that reduces trade uncertainty within and among African countries is an essential ingredient to unlocking private sector decisions to expand existing and start new businesses to take advantage of the agreement."

Source: The African Continental Free Trade Area: Potential Economic Impact and Challenges, IMF Staff Discussion Note No. 20/04

GREEN ECONOMICS

Waste management is integral to SA's sustainable growth path, according to the Department of Environment, Forestry and Fisheries

Placing SA's economy on a more sustainable growth path is central to minimising environmental impacts as the country transitions to new, innovative means that assist in the reduction, re-use, repurposing, recycling or upcycling of waste material.

Through the management of waste, the country will realise its goal of a nature-based Green Economy. Green industries can open up new possibilities for development and job creation in a sector that has the potential to not only improve socio-economic conditions, but also contribute to sustainable development and resource use.

The 2018 State of Waste Report states that South Africa generated 55 million tonnes of general waste in 2017, with only 11% being diverted from landfill. These trends, coupled with limited growth in the Gross Domestic Product (GDP), are associated with increases in waste generation. In the absence of aggressive strategies to avoid generating waste, the total volumes of waste generated will increase in future, which will in turn require greater effort in waste diversion simply to maintain the current rate at which landfill airspace is depleted which is already recognised as being unsustainable.

The National Waste Management Act and it National Waste Management Strategy (NWMS) aim to address just that – achieve a clean and healthy environment for all.

The approval by Cabinet of the National Waste Management Strategy 2020 assists in moving the country toward the development of a Circular Waste Economy, regarded as the future of waste management worldwide.

The 2020 Strategy was developed in terms of the National Environmental Management: Waste Act. It is a revision and update of the 2011 strategy, and builds on the successes and lessons from the implementation of that plan.

NWMS 2020 is broadly focused on preventing waste and diverting it from landfill by leveraging the concept of the Circular Economy to drive sustainable, inclusive economic growth and development in the waste sector, while reducing the social and environmental impacts of waste. Its implementation will create jobs in the waste sector and increase awareness and compliance around waste.

Priority areas for the implementation of the National Environmental Management Waste Act include the recycling economy, implementing a varied regulatory system, creating jobs and Small, Medium and Micro Enterprises, promoting public awareness and supporting waste service delivery, all in the context of a Circular Economy.

The 2020 Strategy also requires investment into catalytic projects which will ensure broader compliance, sustainable procurement practices, and enhance Extended Producer Responsibility.

To achieve this, the Department has embarked on an extensive consultation process to initiate Extended Producer Responsibility for the paper and packaging, lighting and electrical and electronic equipment industries. This will make a significant contribution to diversion of waste from landfilling, thereby increasing the recycling rate to achieve the objectives of the revised NWMS 2020. Extended Producer Responsibility aims to alleviate the burden from government and shift the responsibility to producers.

In terms of regulations to be implemented, producers or a class of producers, including brand owners, are required to set up procedures, processes and invest resources to implement the extended producer responsibility measures with regards to the management of waste generated by their industries. This extends to the waste that results from the end-of-use of products by consumers, such as light bulbs and solar panels, single-use plastics, plastics garden equipment, toys and plastic boards, and TV screens, batteries, fridges, toasters.

There has been excellent collaboration between the Department of Environment, Forestry and Fisheries (DEFF), National Treasury and the Department of Cooperative Governance and Traditional Affairs (COGTA) on the change of the municipal infrastructure grant policy to fund the yellow fleet. But, more still needs to be done in this space.

Effective waste management can contribute to job creation. In this regard, DEFF has embarked on law reforms to accelerate economic growth in the waste sector focusing on waste collection and recycling.

The diversion of waste from landfill sites, the repurposing and reuse of items that need not be thrown away, and the development of the waste or Circular Economy are among the key areas addressed in the 2020 Strategy.

As a sustainable development model, the idea behind the Circular Economy is simple as it keeps resources at their highest possible level of value at all times thus eliminating the very idea of waste, and leaving 'enough for all forever.'

Waste in this context is broader than merely physical rubbish. With the right business model, products could remain in the economy much longer, and consumption rates of everything from cars to consumer goods could increase tenfold by utilising innovative sharing models. Most notably, companies are encouraged to think about how goods can be designed, produced and marketed with reuse in mind.

The Green Economy is one of the four sectors prioritised by Government to assist with economic recovery. The disruption caused by the COVID-19 pandemic makes this an opportune moment to usher in the necessary policy changes linked to Extended Producer Responsibility, including product composition targets that would catalyse economic green recovery and will set us on the circular economy trajectory.

Regionally, South Africa is a founding member of the African Circular Economy Alliance which started when UNEP, South Africa, Rwanda and Nigeria agreed to take the outcomes of the African Ministerial Conference on Environment (AMCEN) forward in partnership with the World Economic Forum (WEF).

Since the launch in 2017, the country has joined hands with other states to facilitate, promote and support the transition towards a Circular Economy on our continent. The recent AMCEN Bureau instructed the Alliance to ramp up implementation of the Circular Economy in Africa.

The Bureau together with the African Union proposed an "African Green Stimulus Programme" that will contribute meaningfully towards the broader African Post-Covid-19 Response Programme. Improving waste management by means of adopting principles of a circular economy is one of the focus areas.

DEFF continues to implement the Good Green Deeds initiative nationally. This includes clean-up campaigns in cities, towns and villages, in catchment areas and along our coastline, and education and awareness campaigns.

For many countries, placing their economies on a more sustainable growth path is central to these strategies. South Africa has also realised that green industries can open up new possibilities for development and assist in creating much needed jobs. The waste management sector has strong potential to innovate and improve socio-economic conditions, and contribute to sustainable development and resource use.

How a country manages its waste is a fundamental indicator of the extent to which that society is functional and being managed in a sustainable manner. Implementation of the NWMS 2020 must have a positive impact on the lives of all South Africans through shared socio-economic growth and development.

The amendments stipulate that plastic carrier and flat bags must be made from a minimum of 50% post-consumer recyclate from January 2023.


Effective waste management has the potential to create jobs


Globally, a circular economy is regarded as the future of waste management

Ten facts about trade in Africa

Over the past century, African countries have created several regional economic integration arrangements. The first 2, the Southern African Customs Union (SACU), formed in 1910, and the East African Community (EAC), formed in 1919, are today among the most vibrant and successful regional arrangements on the continent. In 2019, there were over 15 regional integration arrangements, and many countries have overlapping memberships. The overriding objective of these arrangements is the promotion of intraregional trade to achieve faster economic growth and reduce poverty. The AfCFTA (African Continental Free Trade Area) is the most ambitious initiative in this vein.

Past regional integration arrangements have delivered less than was originally envisaged, but they have contributed to a significant expansion of intra-African trade. Despite these integration arrangements, African intraregional trade trails that of other regions, and Africa's insertion into global value chains (GVCs) is still dominated by its exports of raw materials. As a result, past integration efforts have been considered as underperforming (de Melo and Tsikata 2015; Hailu 2014; Yang and Gupta 2005). Several reasons have been advanced for this underperformance, including lack of complementary domestic reforms to improve domestic supply responses and a low level of implementation of the arrangements, owing partly to the absence of strong institutional frameworks supporting them. Still, these arrangements have facilitated a large expansion of intra-African trade in the last couple of decades.

Potential welfare gains and costs of the AfCFTA from an empirical standpoint exist. Policy options to address such costs and other challenges to the agreement's successful implementation is key to tis success. Recent empirical analysis revealed that the potential gains from import tariff reduction alone are likely to be small, as intraregional tariffs are already low following extensive intraregional trade liberalization by past arrangements. However, once NTBs (non-tariff barriers) are substantially reduced, potential welfare gains would be significant. The largest proportional welfare gains would accrue to the smaller, more open economies. The size of

welfare gains also depends on the initial level of trade restrictions. At the same time, the AfCFTA could affect income distribution, unemployment, and fiscal revenue, especially in the short term. But the benefits of the AfCFTA would outweigh the costs. However to mitigate these potential attendant adjustment costs, policymakers would need to implement a complementary set of measures to strengthen the social protection framework, increase labour market flexibility, and mobilise domestic revenues.

Africa is a diverse and vast continent with a long-standing pursuit of trade integration to support growth and poverty reduction. The continent stands out in at least 4 areas: heterogeneity in country sizes, income levels, stages of development, and trade openness; diversity of trade regimes and trade policies; varying patterns of intraregional trade; and the lack of a continent-wide trading hub.

The African continent contains an assortment of countries in terms of size, income, and openness. In terms of size, 7 countries have populations of less than 1.5 million, and 3 have over 100 million. Between these 2 extremes, there is a wide distribution in population size. Although Africa comprises 165 of the world's population, it has only 5% of its income. Half of Africa's countries (27), with 44% of the continent's total population, are categorized as low-income countries.

The remainder are distributed between lower-middle-income (18 countries, 45% of the population), upper-middle-income (8 countries, with 9% of the population), and 1 high-income country (with 0.01% of the population). The continent also has a wide variation in trade openness, with gross exports and imports ranging from 38% - 140% of GDP. Finally, 15 African countries, with about 17% of the total African population and 7% of GDP, are landlocked.

Intraregional trade in Africa is relatively low, but rising, and dominated by food and manufactured goods. In 2017, 17% of Africa's total trade was conducted within the continent, rising from 9% in 2000. In other regions, such as Europe and Asia, intraregional trade is over 50%. The expansion of intraregional trade in Africa has been supported by an increase in commodity exports, stronger macroeconomic conditions and institutions, and the establishment of regional economic arrangements (REAs; Arizala and others 2018). Much of the intraregional trade has been driven by the Southern African Development Community (SADC) and the EAC, which have the highest levels of intra-union trade, compared with other groupings on the continent. During 2000–17, intra-African trade was dominated by food and manufactured goods. In contrast, exports to the rest of the world were dominated by primary products, which accounted for about 60% of total exports. At the same time, chemicals, other manufactured goods, machinery, and transportation equipment represented close to 70% of total imports.

Africa lacks a continent-wide trading hub. Unlike Asia, Europe, and North America, Africa does not have an economy that acts as a trading hub. South Africa operates, somewhat, as a hub for southern Africa, for which it is also a key supplier of intermediate goods. South Africa is a top 5 trading partner for 14


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African countries. At the same time, it is integrated, mostly upstream (forward integration), in GVCs with China, the United States, Germany, and India.

The rest of Africa lacks a systemic global exporter that also imports value added from the rest of the continent. Given the shift in international trade from goods to tasks, for the AfCFTA to have a transformative effect on member countries, it would need to spur the development of the nascent supply chain on the continent. This would in turn provide a bridge for African countries to generate more downstream (backward) integration into GVCs and by doing so reap more gains from their participation in international trade.

Africa is characterized by a plethora of trade regimes. 3 Broad elements characterise the trade regimes on the continent.

· First, there are preferential trade agreements between individual African countries and countries outside the continent. These include agreements under the general system of preferences (GSP), granting duty-free treatment for least-developed countries, and preferential access to the US market under the African Growth and Opportunity Act (AGOA).

· Second, there are regional trade agreements between African countries and regions outside Africa. This category includes the various economic partnership agreements the European Union has negotiated with various African countries and regional groups on the continent. These also call for the partial and gradual liberalisation of African markets to EU imports.

· Third, there is a web of intra-African trade agreements, including eight REAs and four subregional groups.

Existing intra-African trade arrangements have been viewed as underperforming, although they have played a role in the expansion of intraregional trade. Several studies (Hailu 2014; Yang and Gupta 2005; de Melo and Tsikata 2015) have identified key factors that have influenced the effectiveness of these arrangements. These include a low level of implementation of the arrangements, partly owing to the lack of a strong institutional framework supporting them. Relatedly, multiple and overlapping memberships in regional trade integration groups have also led to complexity, lax enforcement, and uncertainty. In practice, this has often resulted in less trade liberalisation among member countries than envisaged in the arrangements. At the same time, infrastructure bottlenecks have kept trade costs high, while lack of complementary reforms to improve domestic supply responses and upgrade worker skills have hindered economies of scale. Despite these shortcomings, intraregional trade arrangements have contributed to a significant expansion of intra-African trade in the last two decades.

Note. Although the implementation of some operational aspects of the AfCFTA have been temporarily suspended, the agreement would be a very important element to support post-pandemic recovery and to foster economic growth in the medium term in sub-Saharan Africa through the creation of larger and more integrated markets and the promotion of intracontinental trade. Importantly, implementation of the AfCFTA will also reduce uncertainty on trading relations within the continent, which—together with an expanded and more integrated market—would foster both domestic and foreign direct investment and help boost economic activity as countries emerge from the pandemic.

Source: *The African Continental Free Trade Area: Potential Economic Impact and Challenges, IMF Staff Discussion Note, May 2020.*


City Lodge

Trade in Africa - the Transformation of Value Chains post Pandemic

The efficient operation of value chains (VCs) relies on a combination of specialisation in production tasks and minimal constraints in trade flows. Specialisation leads to economies of scale in tasks that delivers greater efficiency to the whole chain. The connection of each of the links in the chain is facilitated by low restrictions and costs on trade, transport and logistics. Just-in-time operations, where intermediates arrive at the next link of the chain at the same time they are required, allow these flows to operate under low costs. Companies, in normal times, operate with minimum stocks of intermediates and final products.

These configurations and procedures of VCs have contributed to a major increase in efficiency in production and lower costs. They have contributed to major growth in world trade, from which Africa has benefited as a supplier of intermediates but also as consumer of cheaper products.

However, the experiences observed with respect to the operation of supply chains during the crisis suggest they struggle to adapt fast enough to extraordinary changes in demand, supply and trade. On the one hand, some VCs are 'long' in that they involve a long list of suppliers spread across the world. Reacting to sudden changes in the market conditions of long supply chains takes time. On the other hand, rapid scarcity of products and inputs, as a result of low levels of stocks, gives a signal to consumers and users to overstock. This leads to an almost immediate collapse of supply and of the operation of the supply chain.

In this sense, the Covid-19 crisis has pointed to the need to reconsider how supply chains operate. This may involve both the shortening and the regionalisation of supply chains as well as changes in how supply chains are managed.

Outsourcing, the fragmentation of production and the lengthening of VCs have allowed for a finer division of labour and greater gains from specialisation across countries. Just-in-time management practices also require holding minimal inventories to improve profits. The rise of GVCs has therefore helped reduce costs and increase the efficiency of trade and production networks. However, this reasoning assumes sourcing from other countries can be easily managed. Yet this is not always the case. There is a growing list of risks that need to be considered in countries' production and trade decisions, ranging from natural disasters to geopolitical, technological, contractual or demand factors.

The Covid-19 pandemic has resulted in a triple shock: health, supply and demand.

This has shaken GVCs and uncovered a trade fragility, pointing to the need to reflect on the shortcomings of GVCs and to reassess their operation and structure. Many are talking of a future characterised by more diversified (rather than clustered) production networks that are reliant on trusted nodes; shorter and more regionalised VCs; and improved tracking of the chain of subcontractors. Meanwhile, in response to supply chain risks and disruptions as a result of Covid-19, many global lead firms have also relied on 'Industry 4.0' technologies. Future GVCs are likely toembody higher levels of automation, which can facilitate more flexible adjustment to changing demand, mitigating firms' risks in the event of a pandemic or other shock.

On the African continent, Covid-19 has strengthened the case for developing intra-African regional VCs and unlocking the continent's business potential. Given Africa's underdeveloped supply chains and minimal value addition, the continent has suffered a significant blow as a result of the pandemic-induced disruption to GVCs.

Three months into the pandemic in Africa, food shortages, price hikes and breakdowns in pharmaceutical supply chains are widespread and growing. World staple food production is enjoying favourable conditions in most major producer markets. Yet a panic response to Covid-19 has resulted in export restrictions and distribution disruption. Most worrisome for Africa is the stall in shipments of rice from India, Africa's second biggest supplier, because of a nationwide lockdown in that country, and export bans on rice in Vietnam and Myanmar, Africa's 5th & 6th biggest suppliers (UNECA, 2020a). The construction industry has also reported delays in the delivery of materials such as metals sourced from Asia (PwC, 2020). These delays are placing a financial burden on contractors who, under normal circumstances, carry the cost of supply-side delays.

Covid-19 related breakdowns in supply chains have resulted from an increase in transaction costs in foreign trade (driven by additional inspections, reduced hours of operation, road closures, border closures and increases in transport costs), coupled with an endemic reliance on imports. In 2018, 82% and 95% of Africa's imports of food items, and medicinal and pharmaceutical products, respectively, originated from outside the continent. The shift in the Covid-19 epicentre from China, which accounts for 11% of African exports and 16% of imports, to Europe, which accounts for 33% of African exports and 32% of imports, has been problematic (UNECA, 2020a).

The AfCFTA Agreement serves as the leading framework for boosting intra-African trade. Swift implementation will be crucial to fast-track the development of 'made in Africa' brands embedded in competitive and robust regional VCs. In fact, a leading objective of the AfCFTA is to 'stimulate production through the development of regional value chains, as well as ensuring that manufacturing, agro-processing and other activities across the continent are stimulated to supply the market'. The Agreement therefore offers an opportunity for the continent to recommit itself to industrial development, in a way that will reduce its high trade dependence on non-African partners, and to position itself more strongly in the face of future global shocks.

For African countries to benefit from diversification of global supply chains and develop resilient regional VCs, major efforts on industrial policy will be required to boost competitiveness so that Africa is able to match low-cost production in China and Southeast Asian countries such as Vietnam and Cambodia. The AfCFTA offers an opportunity for Africa to revisit and overcome the continent's well-known non-tariff barriers (NTBs) and other constraints to boosting diversified trade and industrialisation.

Barriers to trade - in Africa

By **Francois Fouche**, Director: Growth Diagnostics, North West University Business School

While intra-African trade agreements have gradually facilitated a large reduction in tariffs on goods, Non-Tariff Barriers (NTBs) remain high for most African countries.

NTBs can be classified into 3 broad categories:
(1) non-tariff trade measures (NTMs);
(2) infrastructure gaps; and
(3) other trade-related transaction costs.

The extent of NTMs in selected African countries shows that technical and sanitary/phytosanitary barriers are the 2 most prevalent NTMs in Africa.

Large infrastructure gaps and significant trade-related transaction costs also present barriers to trade in Africa, as shown in Table 3.

Several indicators related to the quality of ports, air transportation, and other measures of infrastructure efficiency are low in Africa compared with other regions.

The reduction in ground transportation costs is especially critical to encourage intraregional trade, given the geography of the continent (World Bank 2009).

Some continental initiatives have been launched in recent years to address infrastructure gaps, but they will take time to produce

The low quality of trade logistics is another important barrier to intraregional trade.

The IMF Regional Economic Outlook (IMF 2019) estimates that a rise in the quality of African trade logistics to the global level could reduce the cost of cross-border movement of goods significantly and increase intraregional trade by over 12%.

In addition, an enabling business environment, access to credit, and adequate human capital are all critical to support intraregional trade (IMF 2019).

A more fully developed regional financial infrastructure can also help facilitate further intraregional trade.
This infrastructure could include harmon-

ising regional payment systems to further facilitate cross-border payments; creating swap arrangements across central banks and a multicurrency clearing centre to reduce risks from trading in different national currencies; and better coordinating the supervision of pan-African banks

Source: The African Continental Free Trade Area: Potential Economic Impact and Challenges: IMF Staff Discussion Note No. SDN/20/04; May 2020.

International trade shows signs of rebound

The WTO now forecasts a 9.2% decline in the volume of world merchandise trade for 2020, followed by a 7.2% rise in 2021.

Current data suggests a projected decline for the current year that is less severe than the April forecast. Strong trade performance in June and July have brought some signs of optimism for overall trade growth in 2020. Trade growth in COVID-19 related products was particularly strong in these months, showing trade's ability to help governments obtain needed supplies. Conversely, the forecast for next year is more pessimistic than the previous estimate, leaving merchandise trade well below its pre-pandemic trend in 2021.

The performance of trade for the year to date exceeded expectations due to a surge in June and July as lockdowns were eased and economic activity accelerated. The pace of expansion could slow sharply once pent up demand is exhausted and business inventories have been replenished.

In contrast to trade, GDP fell more than expected in the first half of 2020, causing forecasts for the year to be downgraded. Consensus estimates now put the decline in world market-weighted GDP in 2020 at -4.8% compared to -2.5% under the more optimistic scenario outlined in the WTO's April forecast. GDP growth is expected to pick up to 4.9% in 2021, but this is highly

dependent on policy measures.

As previously noted in the forecast update of 22 June, a weak trade recovery that fails to return trade to the pre-pandemic trend was a distinct possibility. This would result in merchandise trade growth of around 5% next year.

Although the trade decline during the COVID-19 pandemic is similar in magnitude to the global financial crisis of 2008-09, the economic context is very different.

The contraction in GDP has been much stronger in the current recession while the fall in trade has been more moderate.

As a result, the volume of world merchandise trade is only expected to decline around twice as much as world GDP at market exchange rates, rather than six times as much during the 2009 collapse.

This divergent performance of trade during the COVID-19 outbreak has much to do with the nature of the pandemic and the policies used to combat it.

Lockdowns and travel restrictions imposed significant supply-side constraints on national economies, drastically reducing output and employment in sectors that are usually resistant to business cycle fluctuations, particularly non-traded services. At the same time, robust monetary and fiscal policies have propped up incomes, allowing consumption and imports to rebound once lockdowns were eased.

Whether the recovery can be sustained over the medium term will depend on the strength of investment and employment. Both could be undermined if confidence is dented by new outbreaks of COVID-19, which might force governments to impose additional lockdowns. As a result, risks to the forecast are firmly on the downside.

There is some limited upside potential if a vaccine or other medical treatments prove to be effective, but their impact would be less immediate.

Ballooning public debt could also weigh on trade and GDP growth over the longer term. Although rich countries are unlikely to face sovereign debt crises as a result of fiscal expansion, poorer ones may find their increased debt burdens extremely onerous. Deficit spending could also influence trade balances, reducing national saving and swelling trade deficits in some countries.

"Trade has played a critical role in responding to the pandemic, allowing countries to secure access to vital food and medical supplies. Trade has also facilitated

new ways of working during the crisis through the provision of traded IT products and services. One of the greatest risks for the global economy in the aftermath of the pandemic would be a descent into protectionism. International cooperation is essential as we move forward, and the WTO is the ideal forum to resolve any outstanding trade issues stemming from the crisis," Deputy Director-General Yi Xiaozhun said.

All regions are expected to see big percentage increases in export and import volumes in 2021, but it should be noted that this growth will be off of a reduced base. Thus, even large percentage changes may not translate into better material conditions.

Services Trade

The decline in services trade during the pandemic has been at least as strong as the fall in merchandise trade. There are no comprehensive statistics on services trade in volume terms due to the general unavailability of price data, but an approximate measure of services trade volume can be derived by adjusting nominal commercial services trade statistics to account for exchange rates and inflation. This is illustrated by Chart 4, which shows a much steeper year-on-year decline in global services trade during the current recession (-23%, peak-to-trough) than during the financial crisis (-9%). The plunge was exacerbated by restrictions on international travel, which represents a key source of export earnings for many low-income countries.

Trade in manufactured goods

Chart 6 shows that trade in most manufactured goods bottomed out in April before starting to recover in May and June, but that the recovery was partial and incomplete. Automotive products recorded the biggest decline of any category (-70% in April), partly as a result of supply disruptions and partly because of a lack of demand from consumers. By June, automotive products trade had picked up to the point where it was only down 26% compared to the previous year. As for the whole of the second quarter, trade in this product group was down 53%. Travel goods and handbags also recorded a steep decline in April since this category includes a large proportion of luxury goods, consumption of which tends to rise and fall in line with business cycles.

By June, trade in telecommunications equipment, which includes smart phones, had risen by 2% from the same period a year ago. Trade in other types of electronics also held up during the crisis as households, businesses and governments upgraded computers and information technology infrastructure to facilitate working from home. Unsurprisingly, trade in pharmaceuticals rose during the pandemic as countries secured essential products from foreign suppliers. Although it is not shown in Chart 6, trade in personal protective equipment (PPE) recorded explosive growth, up 92% in the second quarter and 122% in May, a dramatic example of the positive contribution that trade has made to overcoming the pandemic.

Source: WTO press release

Governments around the world are taking extraordinary measures to respond to the COVID-19 crisis. While maintaining the focus on addressing the health emergency and providing lifelines for households and businesses, governments need to prepare economies for the transition to the post-COVID-19 world—including by helping people get back to work.

Public investment has a central role to play. The IMF's new Fiscal Monitor shows that increasing public investment in advanced and emerging market economies could help revive economic activity from the sharpest and deepest global economic collapse in contemporary history. It could also create millions of jobs directly in the short term and millions more indirectly over a longer period.

Increasing public investment by 1% of GDP could strengthen confidence in the recovery and boost GDP by 2.7%, private investment by 10% and employment by 1.2% if investments are of high quality and if existing public and private debt burdens do not weaken the response of the private sector to the stimulus.

The case for scaling up investment

Even before the pandemic, global investment had been weak for over a decade, despite crumbling roads and bridges in some advanced economies and massive infrastructure needs for transportation, clean water, sanitation, and more in most emerging and developing economies. Investment is now urgently required in sectors critical to controlling the pandemic, such as health care, schools, safe buildings, safe transportation, and digital infrastructure.

Low interest rates globally also signal that the time is right to invest. Savings are plenty, the private sector is in waiting mode, and many people are unemployed and able to take up jobs created through public investment. Private investment is depressed, owing to acute uncertainty on the future of the pandemic and the economic outlook. Thus, in many countries, the time is now to undertake high quality public investment, in priority projects. It can be done by borrowing at low cost.

Public investment can play a central role in the recovery, with the potential to generate, directly, between 2 - 8 jobs for every 1 million dollars spent on traditional infrastructure, and between 5 - 14 jobs for every million spent on research and development, green electricity, and efficient buildings.

But investment projects can take time to implement. To ensure that investment creates jobs right now—when they are needed the most—countries should ramp up infrastructure maintenance, where safe. Now is also the time to start reviewing and restarting promising projects that were delayed because of the crisis, speeding up projects in the pipeline to bring them to fruition within the next two years, and planning for new projects aligned with the postcrisis priorities.

Striking the right balance

For some countries, however, borrowing to invest will be difficult because financing conditions are tight. Even so, a gradual scaling-up of public investment financed by borrowing could pay off, as long as rollover risks (risks associated with the refinancing of debt) and interest rates do not increase too much and governments choose investment projects wisely. Countries may also need to reallocate spending or raise additional revenue for priority investments.

Poorer countries—especially in the context of the Sustainable Development Goals 2030—will need grant support from the international community. Investing in adaptation to climate change is critical, especially in countries susceptible to floods and droughts. Official aid has been available, but the $10 billion allocated in 2018 falls short of the $25 billion of investment required annually in low-income economies, according to IMF staff estimates.

Maintaining the quality of investment projects is essential. The IMF found, for example, that the cost of an individual project can increase by as much as 10 – 15% just because it is undertaken in a period when investment is particularly high. Cost increases tend to be higher and project delays are longer if projects are approved and undertaken when public investment is significantly scaled up, IMF analysis shows. Fast increases in public investment also carry the risk of facilitating corruption. Likewise, improving the governance of project selection and management is crucial, because there is scope to improve the efficiency of infrastructure by one third on average.

Catalyzing private investment

The IMF discuss how, in this unique crisis, public investment could boost growth enough to trigger additional private sector job creation.

They analyse whether the effect of additional public spending on GDP (the "fiscal multiplier") could be muted because some jobs cannot be performed safely during the pandemic and because firms will exit the crisis with less financial capacity to invest.

However, during this time of high uncertainty, public investment can boost private investors' confidence in the recovery and induce them to invest too, in part because it signals the government's commitment to sustainable growth. Public investment projects can also stimulate private investment more directly. For example, investments in digital communications, electrification, or transportation infrastructure allows new businesses to emerge. Likewise, IMF results show that investments in healthcare and other social services are associated with sizable increases in private investment at the 1-year horizon.

In summary, public investment is a powerful element of the stimulus packages to limit the economic fallout from the pandemic. Even as countries continue to save lives and livelihoods, they can lay the foundation for a more resilient economy by investing in job-rich, highly productive, and greener activities.

Just when we thought there are less economic opportunity today due to the pandemic, turns out there are new ones… in *cold chain logistics.*

Before the pandemic swamped the world's supply chains, the typical cargo in a super-cold container might've been a load of freshly caught tuna bound for a sushi bar in Asia, or boxes of unripe bananas or pineapples headed for a supermarket.

Even some medicinal cannabis travels in a deep chill.

Enter Covid-19 and the global network of refrigerated transportation equipment — aka the cold chain — is undergoing an industry self-evaluation to prepare for unprecedented waves of vaccines.

Billions of vials shipped at temperatures as low as -80 degrees Celsius will require mobile freezers, battery-powered coolers and insulated boxes packed with dry ice on an enormous scale.

With vaccines, the key will be ensuring the extreme cold chain doesn't break on the journey.

No easy feat as long as weather diverts planes, trucks break down, electrical power goes down, essential workers get sick and ice melts.

The distribution requirements have pushed plenty of well-known delivery companies including UPS and FedEx into the vaccine cold-chain arena, as well as brands less familiar to the general public.

Thermo King, part of Dublin-based Trane Technologies Plc, is expediting production of components for its line of freezer units billed as an end-to-end solution for the vaccines.

"This crisis is creating an opportunity in markets that goes beyond what everybody would expect because this is such a huge crisis," said Francesco Incalza, the head of Thermo King's business in Europe. "There will be a lot of capacity needed."

It's not just a logistical puzzle — it's also a political game.

In the U.S., where the government has contracted with Texas-based McKesson to organize vaccine distribution around the country, Incalza said his company is in touch with members of Congress and the White House to make sure refrigerated transport needs are met.

It's a different story in the European Union, he said.

While vaccines are purchased collectively by the 27-nation bloc, distribution plans aren't centralized.

"All the governments at the local levels have to organize all the logistics on their own," Incalza said.

“We’re trying to get together for an industry roundtable to understand what can be done locally to distribute without issues.”

The clock is a whole other challenge.

“If vaccines are ready like people are saying after the New Year, in the January timeframe, logistics companies need to have capacity available in December,” he said..

Assessing the potential benefits & costs of the AfCFTA

by **Francois Fouche**, Director: Growth Diagnostis, North West University Business School

Income, Welfare, & Trade Effects

The welfare effects of preferential trade arrangements are theoretically ambiguous(Krugman 1991; Limao 2016).
This is the case even when the arrangements do not affect members' terms of trade and when there are no other distortions.

· Lower trade barriers allow countries to expand trade within membership (trade creation), which increases welfare.
· At the same time, the removal of trade barriers among members may reduce trade with more efficient countries outside the membership (trade diversion), thus reducing welfare.

The impact of reducing trade barriers on efficiency and welfare depends on whether trade diversion or trade creation dominates.

When considering terms-of-trade effects and second-best scenarios (that is, including additional distortions) the assessment is further complicated—both terms-of-trade movements and the presence of other (non-trade-related) distortions can reinforce or offset welfare gains from increased efficiency owing to trade liberalization. Whether preferential trade arrangements increase or decrease welfare is therefore an empirical question.

General-equilibrium-based empirical studies typically find that preferential trade arrangements have a positive effect on welfare, with the size of the gains depending largely on initial conditions (for example, level of trade barriers and the extent of trade liberalization).

Empirical studies find that the AfCFTA would increase overall income and welfare for the majority of African countries.

These studies are based on ex ante simulations using multi-sector, multi-country computable general equilibrium (CGE) trade models. They consider both import-tariff elimination and NTB reduction. The size of income and welfare gains varies, depending on the specific features of the model: some studies (Chauvin, Ramos, and Porto 2016) find income gains of up to 5%.

Virtually all studies find relatively small gains from the elimination of import tariffs

and significantly larger gains from reduction of NTBs.

These results are intuitive since, as previously discussed, intraregional tariffs in Africa are low, while NTBs are large. These studies also show that gains vary greatly across countries, but most countries see their welfare rise as a result of the reduction in trade barriers, especially NTBs.

Recent work at the IMF has used newer, quantitative trade models to estimate the AfCFTA's potential welfare effects.

Abrego and others (2019) find very small welfare gains from import tariff elimination and much larger gains from a moderate reduction in NTBs.

In their baseline simulations (perfect competition, with a 35% reduction in NTBs, there is an overall welfare gain of 2.6% for sub-Saharan Africa (SSA) and 2.1% for the continent as a whole. As is standard in general equilibrium trade models, the reduction in tariffs and NTBs affects welfare both through consumption and output (by reducing distortions) and thereby improves efficiency. A notable feature of the model used by Abrego and others (2019) is that international prices are endogenous, allowing for changes in the terms of trade. Therefore, in addition to changes in efficiency, terms-of-trade movements also affect welfare outcomes, and this has a material impact on the distribution of welfare gains across countries. The authors also find that the size of overall welfare gains for the continent is very similar under imperfect competition, suggesting that, overall, scale effects are not very strong in Africa. Global welfare also increases, albeit modestly, under the various scenarios considered. Importantly, the restrictive features of the model used in Abrego and others (2019) likely underestimate the welfare benefits from the reduction in trade barriers. In particular, the model is static and therefore does not include capital accumulation, innovation, or knowledge diffusion effects (which can be large over time) that may arise from increased trade openness. The model does not consider intermediate inputs in production either.

This study also reveals that while all African countries experience increased welfare from a reduction in NTBs, these benefits are unequally distributed.

By far, the largest proportional gains go to countries with the most open economies, which also tend to be the smallest economies. In contrast, the larger economies are less open and tend to benefit less, because of adverse terms-of-trade movements, which offset efficiency gains, among other reasons. Unsurprisingly, welfare gains also tend to rise with the extent of trade-barrier reduction. From a sectoral perspective, the study also reveals that tradeable sectors, particularly manufacturing, which accounts for over 60% of welfare gains, and agriculture - 16% - are the key drivers of estimated welfare changes for the vast majority of countries, particularly for the smallest economies. The distribution of welfare gains differs across world regions, with some regions seeing their welfare decline, albeit very modestly, suggesting that they are adversely affected by trade diversion or terms-of-trade changes.

The AfCFTA would have a strong impact on intra-African trade volumes, but its effects on overall trade would be limited. Abrego and others (2019) estimate intra-African trade growth of more than 80% owing to the AfCFTA, which represents an increase of about US$60 billion in African exports. Trade growth is similar under the different model structures (perfect and imperfect competition) considered in the

study. However, given that the initial level of these trade flows is modest, the continent’s total trade grows only by 8%. The study reports considerable variation of results among African countries, with those facing initially higher trade barriers generally showing stronger trade growth. Econometric analysis at the firm level for African countries also shows that the reduction in trade barriers has a positive effect on firms’ decisions to export.

Source: The African Continental Free Trade Area: Potential Economic Impact and Challenges: IMF Staff Discussion Note No. SDN/20/04; May 2020

International trade has often been seen as a key factor behind the increase in inequality in recent decades, although this is not necessarily supported by empirical studies.

It is well-known from trade theory that, in addition to the level of income, trade can also affect income distribution, notably among factors of production. While in principle undesired distributional effects from trade could be offset by compensating losers, compensation is difficult to implement in practice, and it rarely happens. The recent international backlash against free trade reflects to a large extent the perceived key role of trade in increased inequality. Empirical work conducted over the past decades has often focused on the impact of trade policy changes on the distribution of income between skilled and unskilled labour, or the so-called skill premium (defined as the difference in the wages of skilled and unskilled workers). However, there is broad consensus among economists, arising from this work, that the increase in wage inequality seen in many countries in recent decades has been driven mainly by skill-rewarding technical change, with trade playing only a small role (see, for example, Pavcnik 2017; Helpman 2016).

Some of the empirical literature finds that the contribution of trade liberalisation to inequality is context specific.

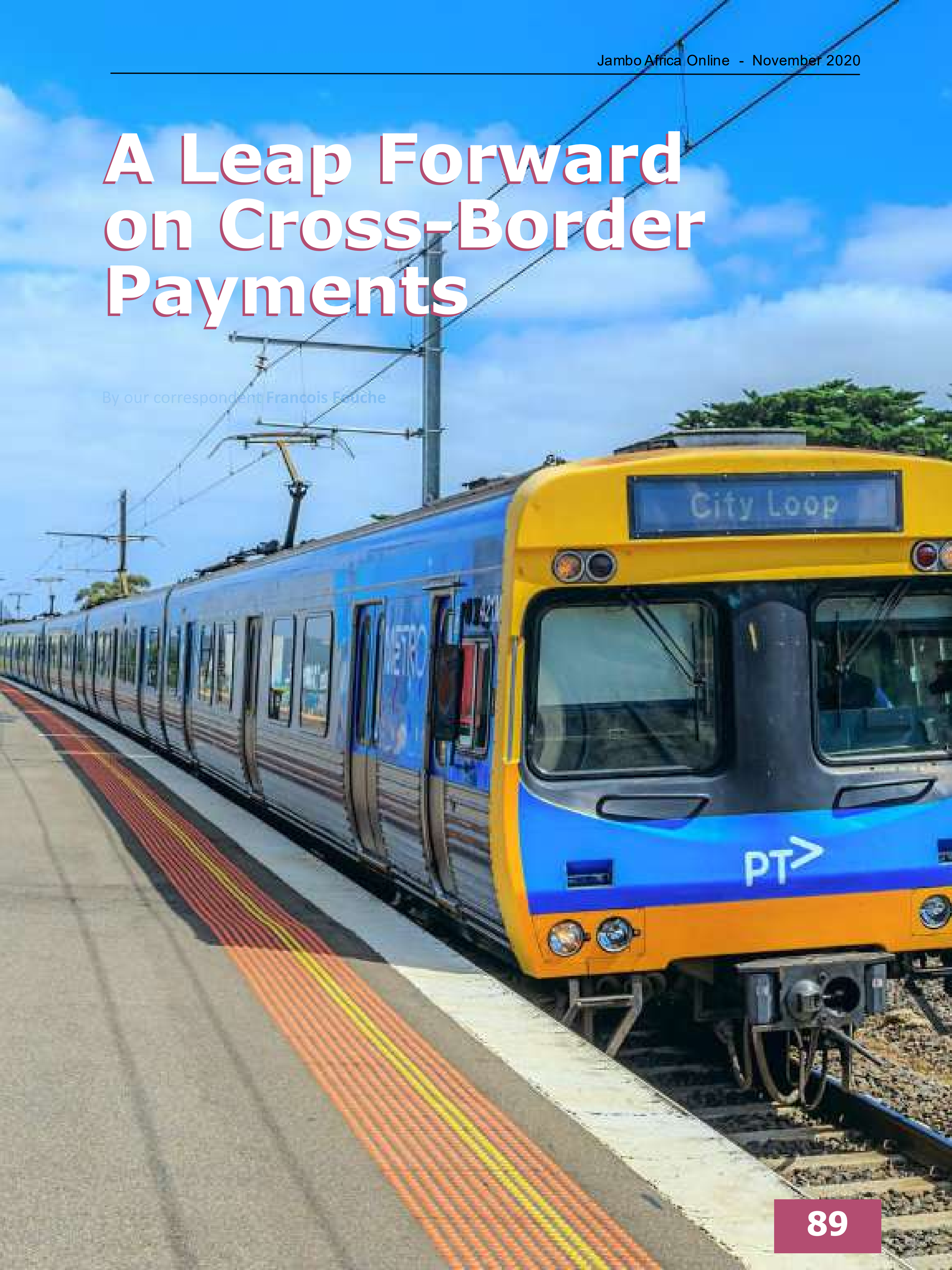
Pavcnik (2017) shows that the nature of trade policy changes, trade patterns, and the level of mobility of workers and capital are key determinants that may affect inequality. Some empirical studies find that the negative effect on inequality may dissipate in the long run, but the adjustment process can take a long time and feature strong localised and sectoral effects (Autor and others 2014; Dix-Carneiro and Kovak 2017).

Studies on the impact of the AfCFTA on inequality are inconclusive.

Using a traditional CGE model and a sample of 6 African countries, Chauvin, Ramos, and Porto (2016) find large heterogeneity across countries. For instance, the AfCFTA appears to benefit richer households in some countries and poorer households in others, and rural households gain more than their urban counterparts in certain countries. Model-based simulations in the Regional Economic Outlook (IMF 2019) also show a heterogeneous impact of the AfCFTA on inequality across countries—income inequality decreases in poor countries that export agricultural goods and increases in countries that export manufacturing goods because of a higher skill premium.

A Leap Forward on Cross-Border Payments

By our correspondent **Francois Fouche**



Third, cooperation is critical to build solutions that benefit from the experience and perspective of all relevant actors—such as central banks, regulators, finance ministries, anti-trust agencies, data protection agencies, and international organizations. The Financial Stability Board report was exemplary in this respect. Moreover, the public and private sectors must cooperate, recognizing each other's strengths: private companies to innovate and interact with users, and the public sector to regulate, supervise, and ultimately provide trust to the system. Where possible, public-private solutions should be explored.

Lastly, cooperation means recognizing the macro-financial effects that one country's policies can have on others. For instance, new forms of digital money issued in major reserve currencies could improve domestic as well as cross-border payments. But they could also induce citizens abroad to forego their domestic currency, especially in countries with high inflation and volatile exchange rates. And digital money could potentially facilitate bank runs out of these countries. Meanwhile, source countries could see more volatile capital inflows and central bank balance sheets. Moreover, it is unclear if capital account restrictions, which many countries adopt, can be redesigned so they are not circumvented by digital money. Finally, the use of digital money could raise significant risks to financial integrity. These and other scenarios are detailed in a new IMF paper.

Will the AfCFTA make Africa more unequal?

By our correspondent **Francois Fouche**

A few insightful notes on the distributional effects of the AfCFTA below from an IMF Staff Discussion Note in May this year.

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The recent international backlash against free trade reflects to a large extent the perceived key role of trade in increased inequality. Empirical work conducted over the past decades has often focused on the impact of trade policy changes on the distribution of income between skilled and unskilled labour, or the so-called skill premium (defined as the difference in the wages of skilled and unskilled workers). However, there is broad consensus among economists, arising from this work, that the increase in wage inequality seen in many countries in recent decades has been driven mainly by skill-rewarding technical change, with trade playing only a small role (see, for example, Pavcnik 2017; Helpman 2016).

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Using a traditional CGE model and a sample of 6 African countries, Chauvin, Ramos, and Porto (2016) find large heterogeneity across countries. For instance, the AfCFTA appears to benefit richer households in some countries and poorer households in others, and rural households gain more than their urban counterparts in certain countries. Model-based simulations in the Regional Economic Outlook (IMF 2019) also show a heterogeneous impact of the AfCFTA on inequality across countries—income inequality decreases in poor countries that export agricultural goods and increases in countries that export manufacturing goods because of a higher skill premium. However, the effect in the medium term tends to become generally muted. Although more research is needed in this area, there are **2 reasons for inequality not to rise rapidly in the wake of the AfCFTA.**

- First, existing intraregional tariffs are already low and would be removed gradually, so their elimination should not have a strong impact on inequality.
- Second, although NTBs are large, their removal would also entail a gradual process. As a result, the authorities should have time to gauge the unfolding effects of trade opening and be able to take corrective actions.

Capital–skilled labour complementarity may also cause changes in the skill premium and thereby in inequality.

A reduction in the price of capital goods, owing to a reduction in trade barriers, will increase the demand for capital goods. If capital and skilled labour are complementary in the production of goods, this would raise the productivity and wages of skilled labour. In addition, the existence of capital–skill complementarity favours an increase in the demand for skilled workers, which would also increase their wages and thus the skill premium.

Focusing on this channel and using a modelling framework based on Parro (2013), Perez-Saiz (2019) shows that the AfCFTA would increase the skill premium. Assuming elimination of import tariffs and a substantial reduction in NTBs (by 35%), the change in the skill premium in SSA would be on average close to 1%. However, there is significant dispersion across African countries, with smaller countries tending to experience larger changes in the skill premium. Econometric analysis at the firm level also provides some evidence of an "exporter wage premium": exporting firms pay higher wages than other firms. This exporter wage premium has been found in studies on Africa (Van Biesebroeck 2005; Duda-Nyczak and Viegelahn 2018) and in other regions in the world. Conversely, there is little evidence that importing firms pay a positive wage premium."

Source: The African Continental Free Trade Area: Potential Economic Impact and Challenges, IMF Staff Discussion Note No. 20/04

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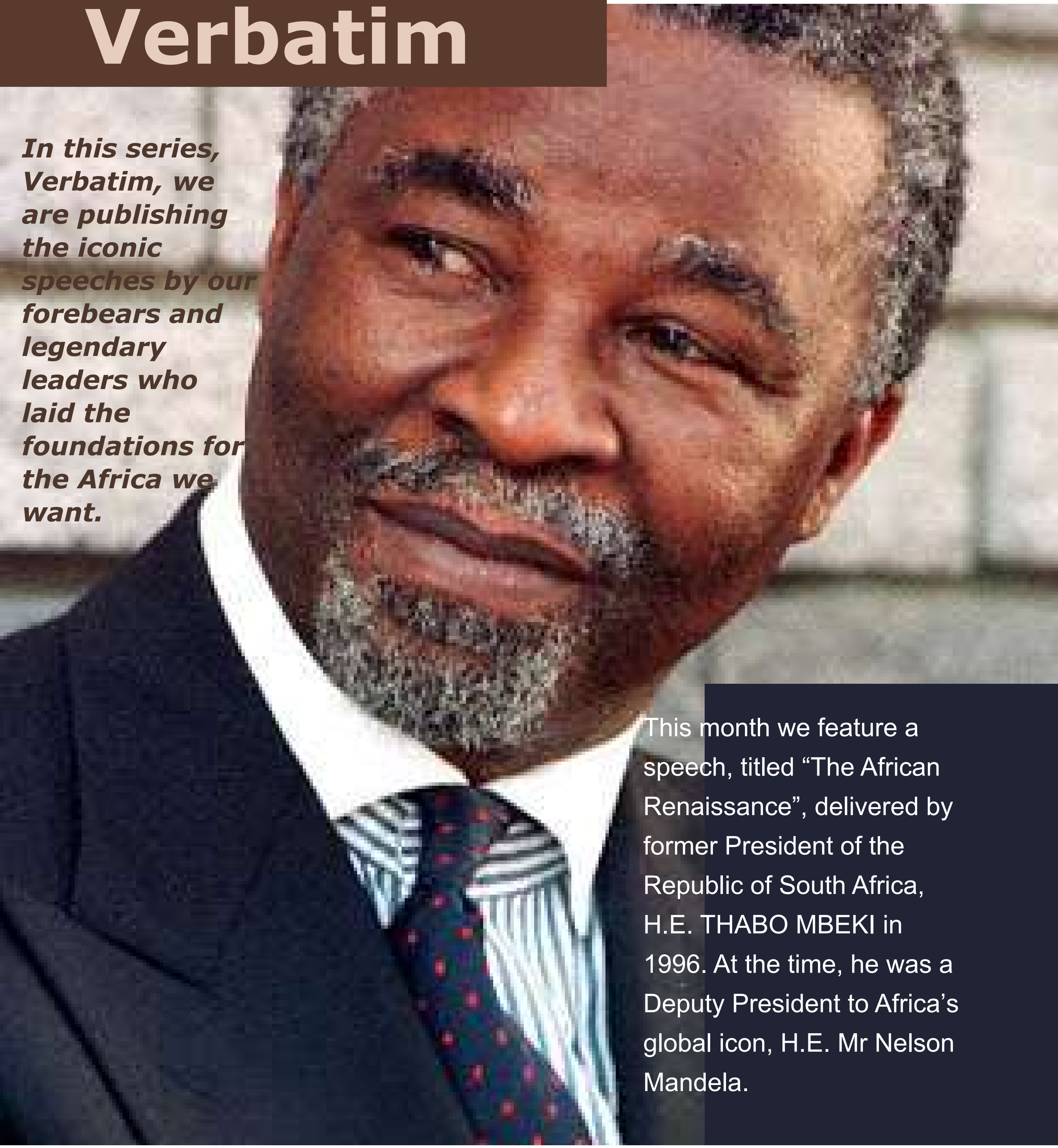
Verbatim



In this series, Verbatim, we are publishing the iconic speeches by our forebears and legendary leaders who laid the foundations for the Africa we want.

This month we feature a speech, titled “The African Renaissance”, delivered by former President of the Republic of South Africa, H.E. THABO MBEKI in 1996. At the time, he was a Deputy President to Africa’s global icon, H.E. Mr Nelson Mandela.

A struggle for political power is dragging the Kingdom of Lesotho towards the abyss of a violent conflict. The Democratic Republic of Congo is sliding back into a conflict of arms from which its people had hoped they had escaped forever.

The silence of peace has died on the borders of Eritrea and Ethiopia because, in a debate about an acre or two of land, guns have usurped the place of reason.

Those who had risked death in Guinea Bissau as they fought as comrades to evict the Portuguese colonialists, today stand behind opposing ramparts speaking to one another in the deadly language of bazooka and mortar shells and the fearsome rhythm of the beat of machine-gun fire.

A war seemingly without mercy rages in Algeria, made more horrifying by a savagery which seeks to anoint itself with the sanctity of a religious faith.

Thus can we say that the children of Africa, from north to south, from the east and the west and at the very centre of our continent, continue to be consumed by death dealt out by those who have proclaimed a sentence of death on dialogue and reason and on the children of Africa whose limbs are too weak to run away from the rage of adults.

Both of these, the harbingers of death and the victims of their wrath are as African as you and I.

For that reason, for the reason that we are the disembowelled African mothers and the decapitated African children of Rwanda, we have to say enough and no more.

It is because of these pitiful souls, who are the casualties of destructive force for whose birth they are not to blame, that Africa needs her renaissance. Were they alive and assured that the blight of human made death had passed for ever, we would have less need to call for that renaissance.

In the summer of light and warmth and life-giving rain, it is to mock the gods to ask them for light and warmth and life-giving rain. The passionate hope for the warming rays of the sun is the offspring of the chill and dark nights of the winters of our lives.

Africa has no need for the criminals who would acquire political power by slaughtering the innocents as do the butchers of the people of Richmond in KwaZulu-Natal.

Nor has she need for such as those who, because they did not accept that power is legitimate only because it serves the interests of the people, laid Somalia to waste and deprived its people of a country which gave its citizens a sense of being as well as the being to build themselves into a people.

Neither has Africa need for the petty gangsters who would be our governors by theft of elective positions, as a result of holding fraudulent elections, or by purchasing positions of authority through bribery and corruption.

The thieves and their accomplices, the givers of the bribes and the recipients are as African as you and I. We are the corrupter and the harlot who act together to demean our Continent and ourselves.

The time has come that we say enough and no more, and by acting to banish the shame, remake ourselves as the midwives of the African Renaissance.

An ill wind has blown me across the face of Africa. I have seen the poverty of Orlando East and the wealth of Morningside in Johannesburg. In Lusaka, I have seen the poor of Kanyama township and the prosperous residents of Kabulonga.

I have seen the African slums of Surulere in Lagos and the African opulence of Victoria Island. I have seen the faces of the poor in Mbari in Harare and the quiet wealth of Borrowdale.

And I have heard the stories of how those who had access to power, or access to those who had access to power, of how they have robbed and pillaged and broken all laws and all ethical norms and with great abandon, to acquire wealth, all of them tied by an invisible thread which they hope will connect them to Morningside and Borrowdale and Victoria Island and Kabulonga.

Everyday, you ad I see those who would be citizens of Kabulonga and Borrowdale and Victoria Island and Morningside being born everywhere in our country. Their object in life is to acquire personal wealth by means both foul and fair.

Their measure of success is the amount of wealth they can accumulate and the ostentation they can achieve, which will convince all that they are a success, because, in a visible way, they are people of means.

Thus, they seek access to power or access to those who have access to power so that they can corrupt the political order for personal gain at all costs.

In this equation, the poverty of the masses of the people becomes a necessary condition for the enrichment of the few and the corruption of political power, the only possible condition for its exercise.

It is out of this pungent mixture of greed, dehumanising poverty, obscene wealth and endemic public and private corrupt practice, that many of Africa's coups d'etat, civil wars and situations of instability are born and entrenched.

The time has come that we call a halt to the seemingly socially approved deification of the acquisition of material wealth and the abuse of state power to impoverish the people and deny our Continent the possibility to achieve sustainable economic development.

Africa cannot renew herself where its upper echelons are a mere parasite on the rest of society, enjoying as self-endowed mandate to use their political power and define the uses of such power such that its exercise ensures that our Continent reproduces itself as the periphery of the world economy, poor, underdeveloped and incapable of development.

The African Renaissance demands that we purge ourselves of the parasites and maintain a permanent vigilance against the danger of the entrenchment in African society of this rapacious stratum with its social morality according to which everything in society must be organised materially to benefit the few.

As we recall with pride the African scholar and author of the Middle Ages, Sadi of Timbuktu, who had mastered such subjects as law, logic, dialectics, grammar and rhetoric, and other African intellectuals who taught at the University of Timbuktu, we must ask the question - where are Africa's intellectuals today!

In our world in which the generation of new knowledge and its application to change the human condition is the engine which moves human society further away from barbarism, do we not have need to recall Africa's hundreds of thousands of intellectuals back from their places of emigration in Western Europe and North America, to rejoin those who remain still within our shores!

I dream of the day when these, the African mathematicians and computer specialists in Washington and New York, the African physicists, engineers, doctors, business managers and economists, will return from London and Manchester and Paris and Brussels to add to the African

pool of brain power, to enquire into and find solutions to Africa's problems and challenges, to open the African door to the world of knowledge, to elevate Africa's place within the universe of research the information of new knowledge, education and information.

Africa's renewal demands that her intelligentsia must immerse itself in the titanic and all-round struggle to end poverty, ignorance, disease and backwardness, inspired by the fact that the Africans of Egypt were, in some instances, two thousand years ahead of the Europeans of Greece in the mastery of such subjects as geometry, trigonometry, algebra and chemistry.

To perpetuate their imperial domination over the peoples of Africa, the colonisers sought to enslave the African mind and to destroy the African soul.

They sought to oblige us to accept that as Africans we had contributed nothing to human; civilisation except as beasts of burden, in much the same way as those who are opposed to the emancipation of women seek to convince them that they have a place in human society; but only as beasts of burden and bearers of children.

In the end, they wanted us to despise ourselves, convinced that, if we were not sub-human, we were, at least, not equal to the colonial master and mistress and were incapable of original thought and the African creativity which has endowed the world with an extraordinary treasure of masterpieces in architecture and the fine arts.

The beginning of our rebirth as a Continent must be our own rediscovery of our soul, captured and made permanently available in the great works of creativity represented by the pyramids and sphinxes of Egypt, the stone buildings of Axum and the ruins of Carthage and Zimbabwe, the rock paintings of the San, the Benin bronzes and the African masks, the carvings of the Makonde and the stone sculptures of the Shona.

A people capable of such creativity could never have been less human than other human beings and being as human as any other, such a people can and must be its own liberator from the condition which seeks to describe our Continent and its people as the poverty stricken and disease ridden primitives in a world riding the crest of a wave of progress and human upliftment.

In that journey of self discovery and the restoration of our own self-esteem, without which we would never become combatants for the African Renaissance, we must retune our ears to the music of Zao and Franco of the Congos and the poetry of Mazisi Kunene of South Africa and refocus our eyes to behold the paintings of Malangatane of Mozambique and the sculptures of Dumile Feni of South Africa.

The call for Africa's renewal, for an African Renaissance is a call to rebellion. We must rebel against the tyrants and the dictators, those who seek to corrupt our societies and steal the wealth that belongs to the people.

We must rebel against the ordinary criminals who murder, rape and rob, and conduct war against poverty, ignorance and the backwardness of the children of Africa.

Surely, there must be politicians and business people, youth and women activists, trade unionists, religious leaders, artists and professionals from the Cape to Cairo, from Madagascar to Cape Verde, who are sufficiently enraged by Africa's condition in the world to want to join the mass crusade for Africa's renewal.

It is to these that we say, without equivocation, that to be a true African is to be a rebel in the cause of the African Renaissance, whose success in the new century and millenium is one of the great historic challenges of our time.

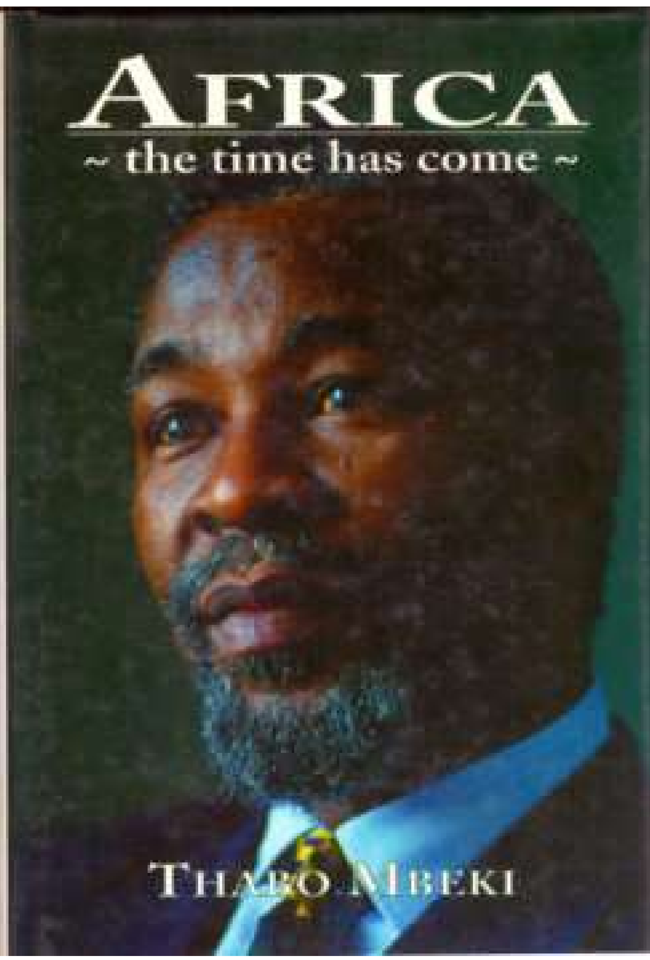
Let the voice of the Senegalese, Sheik Anta Diop, be heard:

"The African who has understood us is the one who, after reading of our works, would have felt a birth in himself, of another person, impelled by an historical conscience, a true creator, a Promethean carrier of a new civilisation and perfectly aware of what the whole earth owes to his ancestral genius in all the domains of science, culture and religion."

"Today each group of people, armed with its rediscovered or reinforced cultural identity, has arrived at the threshold of the post industrial era. An atavistic, but vigilant, African optimism inclines us to wish that all nations would join hands in order to build a planetary civilisation instead of sinking down to barbarism."

Thank you.

Though the speech was first published on www.dirco.gov.za, it was later included in a collection of H.E. Mr Thabo Mbeki's speeches in a book titled "Africa: The Time Has Come" published by Tafelberg and Mafube Publishers.



Theko Procurement Solutions:

Poised for Continental Take Off

By **Mandla Zibi**

Many small to medium South African companies rarely imagine themselves venturing outside the country's borders into the rest of the continent. But for Theko Procurement Solutions, a young, ambitious Johannesburg based consultancy, the time to do so couldn't be better than now, in anticipation of opportunities thrown up by the newly proclaimed African Continental Free Trade Area (AfCFTA).

Johannesburg based Theko Procurement Solutions is a 100% black and woman owned company currently servicing the mining sector, whose long term plan is to offer procurement expertise to all economic sectors.

"We are very excited about the latest developments and we are monitoring them closely. Theko Procurement Solutions ("Theko" is a Sotho/Tswana word meaning to purchase) is working hard to ensure that we are ready to be a part of this exciting era. In particular we are trying to engage with our counterparts in the Southern African Development Community (SADC) countries to understand their procurement procedures and processes," says Babalelang Kona, the founder of Theko.

"In South Africa our goal is to be the preferred procurement solutions entity by providing sustainable world class procurement services to all sectors. In the continental mining economy Theko aims at being the service provider of choice when it comes to outsourcing Procurement and Supply Chain Management Services, as well as consulting for mining houses and assisting mining houses in setting up procurement departments that pride themselves with best practice."

"In cases where companies already have procurement departments in place, Theko would like to assist in making them better and more efficient," says Kona.

Kona is of the opinion that as a service, procurement is undervalued, although at the same it is increasingly asserting itself as an important driver of entrepreneurship.

"What I mean is that some stakeholders view procurement processes as cumbersome, unnecessary and daunting. Some stakeholders also feel procurement processes are a way to frustrate the system. Because of this stakeholders sometimes ignore procurement processes completely or do not follow the procurement process correctly. This has in many instances resulted in lost savings and sometimes corrupt dealings," Kona explains.

She believes proper, efficient and effective procurement processes could assist less established continental mining houses to avoid losses and to gain credibility and the confidence of possible investors.

"One of the deterrents of FDI in the African continent is corruption. Mining by nature requires specialized high value equipment and if there are no procurement processes, or there are any corrupt or untoward dealings in this space, huge sums of money are lost and in most cases this money cannot be recovered.

Babalelang Botlhokwa Kona was born in the small Town of Thaba Nchu in the Free State province, but grew up in Mafikeng in what was then the Bantustan of Bophuthatswana.

After completing a Bachelor of Commerce in Law at the University of Pretoria she attained her Honours at the University of South Africa.

"I entered into procurement by chance. I started as a vacation student in a Procurement Department at Eskom and then ended up being appointed permanently in the same department. Though this was not an intentional career move for me I soon fell in love with it. What I loved the most about it was that it was a mixture of commerce and law, and what fascinated me was that no two projects were ever the same. Each project was unique, challenging and very interesting," she enthuses.
"Even today, although I have dealt with several aspects of procurement and supply chain in my career, I still regard myself as a specialist in contracts management."

Kona has more than a decade's amount of experience in the corporate environment. Asked to comment on being a young South African black woman in corporate South Africa, she says: "It is a very challenging place for women, especially black women. Black women need to fight harder than any other race or gender in corporate South Africa to be seen, have their voices heard, be recognised and valued."

"Be that as it may, there are a lot of valuable lessons that I have learned. Women must have a strong will power, grit, tenacity and a never say die attitude to survive not just in the corporate sector but in the world at large. As Miss Universe Zozibini Tunzi says “Women must take up space” and this should definitely be the case in the Corporate world. Black women have a lot to offer and they should stand together, support one another, and indeed take up space," she adds.

Branching out on her own was not easy, but her four year old company has braved its share of storms and is now thriving.

"Venturing out on my own was always going to be tough, you are faced with challenges that always tempt you to go back to the comfort of your corporate job. But Theko Procurement Solutions is going strong. The best milestone by far was getting my first contract (and next contracts after that). This was a great opportunity to show case the true value of procurement to companies especially to medium sized corporations."

Picking up on her vision of Theko as the ultimate go to consultancy in the provision of world class procurement services to all sectors of the economy, I point out the danger of the company spreading itself too thin on the ground.

But Kona sees it differently. "Though our expertise at this stage lies mainly in mining and engineering, we have had many opportunities to engage with counterparts in our field that service other industries. In many instances we have found that there are synergies and that problems in our different fields are similar," she argues.

" In the not so distant future I see Theko having departments with Procurement Professionals that are specialists/experts in different sectors. For instance Theko will have a Mining and Engineering department, Banking Department, Telecommunications department etc. Instead of spreading us thin this will indeed grow the company. This will also enable Professionals in different sectors to learn from one another and cross pollinate and the ultimate benefactor will be the client who gets to benefit from a pool of experienced and well rounded professionals."

Against a backdrop of reports of shocking levels of corruption within the state bureaucracy in South Africa, how does Kona ensure that her company's principled commitment to honesty and integrity translate into reality?

"Apart from the thorough background checks that are done on employees we encouraged our employees to speak up when they feel things are not what they should be and to never feel pressured to agree to anything they feel is untoward."

"We are in the process of implementing a system of regular checks (mini audits) on work being done by our employees. This will not only ensure a high standard of work being produced but will ensure that honesty and integrity become the hallmark of our business," she adds.

Despite her multi-sectoral ambitions, Kona confides that mining occupies a special place in her heart. She explains: "I have been in the mining sector for most of my career and I have seen how projects in the mining sector that are spear headed by procurement have uplifted communities and touched lives."

"By this I mean that through some programs and interventions with procurement departments, mining houses have ensured that they have created sustainable entrepreneurs in the communities in which they operate therefore also creating employment. I have also come to realise that more and more entrepreneurs that are now established and operate in and around mines need procurement services in order to become better, more efficient suppliers to mines."

Besides the run- of- the- mill consultancy work, Theko also conducts training around tendering, procurement and other supply chain management related activities. According to Kona,"some of that includes tender training where I train people on how to project manage a tender submission, what is required for specific tenders and where possible we focus on a particular sector and its requirements. In terms of procurement we offer buyer training, contract management training and more."

And from here, what is the plan going forward for Theko Procurement Solutions?

"Theko is a growing company that is always looking for new ways to do things better, ensuring that clients receive the best service. Theko would like to see itself increasing its client base in the coming year. Theko would like to see itself educating and even becoming the outsourced procurement service provider and advisor of choice for small and medium companies," declares Kona.

Theko's bouquet of services see below:

TENDERING – FOR POTENTIAL SUPPLIERS

Attend tender briefing
Compilation of tender submissions
Advisory services on tender submissions

TENDERS – CLIENTS

Compilation of Enquiry documents
Tender evaluations
Setting up tender procedures
Management of tender process

CUSTOMER AND SUPPLIER RELATIONSHIP MANAGEMENT

Change Management
CRM systems implementation
SRM systems implementation

CONTRACTS MANAGEMENT

Drafting of Contracts
Management of contracts
Contracts Management strategy
Contracts Negotiation

POLICY DEVELOPMENT

Supply Chain Policy drafting
Supply Chain Policy training
MRP
Load information on MRP
Training on MRP system
Master data input and management

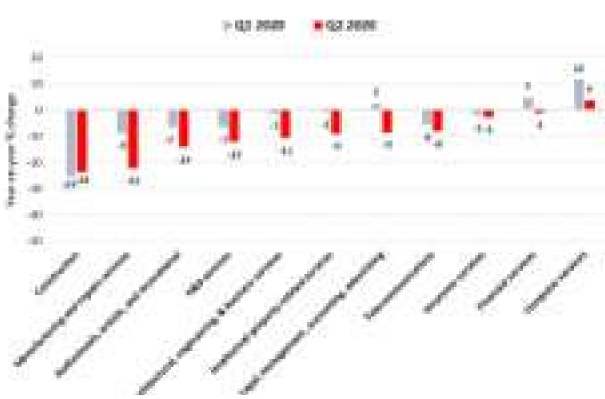
PROCUREMENT SERVICES

Compilation of procure to pay process and/or procedure
Improvement of procure to pay process and or policy
Procurement process audit
Expediting
Buyer training
Project procurement services

The state of African cities

This is an "executive summary" to a book written by Ronald Wall, Joseph Maseland, Katharina Rochell and Mathias Spaliviero

In recent years, especially after the 2008/9 financial crisis, there has been a steady increase in foreign direct investment (FDI) towards the Global South. This has been a welcome trend for Africa, not only because of its developmental challenges but also because of the generally limited availability and cost of domestic financing, which has persistently hampered African business. Nonetheless, despite a growing FDI influx, Africa's share of total world FDI volume remains small, at roughly 5%. This compares poorly to the continent's 15% share of global population and over 30% of world poverty. The current GDP per capita gap, relative to other world regions, is likely to widen if 'business as usual' is to continue.

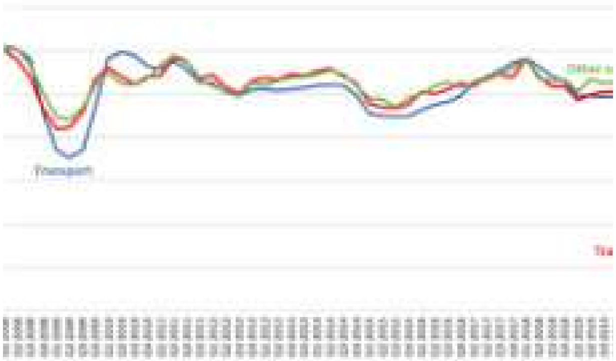


There is a clear and pressing need for increasing foreign investment in Africa. Financial and policy interventions are needed that support Africa's emerging transformations and strengthen its already unfolding shift from FDI in the primary sector (resources), towards secondary and tertiary sectors (manufacturing, services and hi-tech). Such interventions would facilitate structural economic transformation and generate higher value- added economic activities. FDI is a key resource to expedite Africa's growth potential, since it promises to bring not only financial resources but also new technologies, knowledge and expertise. Investment promotes employment, productivity and competitiveness through entrepreneurship in investment destinations. Substantial private capital injections can, for instance, help close Africa's huge gap in physical infrastructure, improve the quality of the built environment, and make the continent a more attractive destination for global FDI.

Key findings

Cities perform a quintessential role in Africa's evolving structural transformation because urban environments facilitate growth in critical economic sectors. Cities can accommodate industries that have already demonstrated sustained economic growth from 2003 to 2016, a trend which is anticipated to continue. African cities can boost their economies by positioning themselves as desirable destinations for multinational firms' headquarters, sub- offices and other activities, and thereby become important nodes in corporate strategies. However, it is pertinent that, as potential FDI destinations, cities should understand the rationales of investors to expand business to foreign countries. In the age of globalization and the emerging fourth industrial revolution, the role of African cities and urbanization must reverberate in the long-term economic, spatial and demographic planning of the continent. This role of cities is expressed in Agenda 2063 of the African Union, the United Nations' New Urban Agenda, UN- Habitat's State of African Cities reports and the World Bank's Africa's Cities report, among others.

Under conditions of rapid urbanization, African cities bring both problems and solutions in respect of the incidence of urban poverty. In the absence of commensurate economic growth, in urban and rural economies alike, urban poverty has become proportional to the rate of urban-rural migration and natural urban growth. Conversely, urban economic development can lift millions out of poverty, as it has done in East Asia over the past three decades, with African

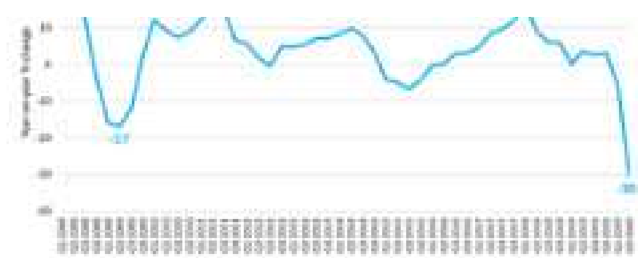


cities becoming hubs of productivity that accelerate economic growth and general well-being. For this to happen, African cities need to seize a more prominent position in the world economy, by enhancing their accessibility, connectivity, markets and urban attractiveness. They also need to rapidly build workers' skills and productive capacity, available knowledge and technology levels, as well as inclusive institutional and business capacity. FDI can serve as an important means to kick-start this.

Despite its relatively low ability to attract FDI in comparison to other continents, the recent rate of FDI growth into Africa is the second highest in the world. While this is partly explained by the low investment base from which the continent started, it does demonstrate a growing interaction between Africa and the global economy. Indeed, FDI is now an important source of finance, and represents roughly a third of foreign financial sources flowing into the continent.

Furthermore, the better a city is globally and regionally connected to businesses and cities around the world, the more FDI it will attract in future. Cities have stronger economies when they facilitate international trade and connect to diverse economic clusters in the world, thereby boosting their own local markets and industries. African cities should develop strategies to become key nodes for production, services and knowledge in the global marketplace. Spatial policies such as industrial zoning are conducive to this because these help create opportunities to tie often peripheral parts of the city to the rest. These policies also stimulate the development of physical infrastructure and social capital, while ICT promotion supports improved urban accessibility and connectivity. Key aims should be to facilitate urban employment and poverty reduction, to decrease the proliferation of urban informal settlements (slums) and to secure critical urban food, water and energy supplies. Furthermore, in the context of food security, Africa's urban revolution will arguably have to run parallel to an agricultural revolution.

However, FDI is neither a panacea, nor the ultimate answer to Africa's development, since it has both positive and less helpful effects. Commonly recognised negative aspects of FDI in developing economies are its potential for crowding-out local businesses; its tendency to be consumption and not production driven; the



fact that it is generally directed towards production for non-African markets; and its adverse effect on wage inequality and the development of indigenous skills in certain sectors. Therefore, careful choices should be made by cities in their pursuit of new and additional FDI, towards inclusive economic growth.

****** This is an extract from "The State of African Cities 2018: The geography of African investment" which is published by the UN-Habitat. ********

The Role of Inter-governmental Organisations In Strengthening Co-operation and Sustainable Development

Dr Nomvuyo Nokwe, the Secretary General of the Indian Ocean Rim Association (IORA) outlines the economic benefits for the ocean economy.

Let me begin by thanking the organisers for inviting me to this august occasion and I would like to congratulate the Maritime Heritage Institute for organising the inaugural Maritime Heritage Lecture & Colloquium, being "Our Shipping Heritage: The Making & Sustaining of Nations".
IORA was established on March 7, 1997with an objective of promoting sustainable development and balanced growth in the Indian Ocean Region. The vision originated in 1995 during the visit of the Late President of South Africa, Nelson Mandela: "The natural urge of the facts of history and geography should broaden itself to include the concept of an Indian Ocean Rim for Socio-Economic Cooperation."

History of Shipping in South Africa

South Africa has a proud and long shipping history linked with sharing of knowledge and culture in the past. "During the Dutch and early British settlement at the Cape, local sailing vessels went up the west coast on fishing, sealing and guano-collecting expeditions, and as settlements grew along the southern African coast (especially in the later years of the British governing the Cape), they also moved small volumes of cargoes. Some of these small vessels (brigs, schooners, etc) were locally owned.
The first steam coaster and several later steam coasters were British owned, as were some vessels engaged in sealing and fishing. Several fishing vessels (sailing vessels and steamers) were owned locally, including some steam trawlers. Steam whalers operated out of Cape Town, Saldanha Bay and Port Natal, while Captain John Grindrod (based in Durban) conducted whaling operations in Mozambique and along the coast south of Port Natal.

Gradually, local coastal shipowners began to emerge:

- The Barrys (c1859-1865; Breede River to Cape Town; sailing ships also traded on this route, some continuing to Britain with grain or hides and skins);
- Thesen (1869 – calling mainly at Knysna, Mossel Bay, Cape Town and west coast fishing harbours) This company continued trading under various ownerships until 1965 when it was bought by Safmarine and exchanged for shares in Unicorn Lines."

After 2000, the thrust of shipping in this period has been the advances in containerisation that replaced almost all of the conventional shipping trading to South Africa. Another characteristic is the increase in size of containerships trading to South Africa, and some of 8000-teu capacity are now regular callers. All are foreign-flagged.

Safmarine took delivery of "second generation" containerships for the South African trade. Apart from one older vessel, all were foreign-flagged as the company was taking advantage of more friendly tax regimes and other benefits for shipowners elsewhere. Those "new generation" ships have since been replaced by larger chartered ships. When Safmarine's technical and crewing divisions moved from Cape Town to Singapore, foreigners replaced many local seafarers.
Unicorn continued its tanker construction programme, building vessels in Korea and China. Bulkers were also built for Island

View Shipping. All of these vessels (42 fully-owned or part-owned) have been flagged out to take advantage of more friendly tax regimes and other benefits for shipowners. While as many South African officers, cadets and ratings as possible are employed aboard these tankers and bulkers, shortfalls are filled by foreign seafarers.

- The Department of Fisheries built patrol vessels, which, with the existing research ship fleet, are all locally-flagged and crewed.
- The fishing industry continued with five major companies (Using trawlers inter alia) and numerous smaller companies operating smaller ships.
- The Department of Environment ordered a new polar supply ship (SA Agulhas 2) to replace the existing vessel (SA Agulhas) that became a cadet training vessel.
- One of the original salvage tugs was scrapped while the other continues as the country's emergency towing vessel.

"Sustainable shipping for a sustainable planet" is the World Maritime theme for 2020. This will provide an opportunity to raise awareness of the United Nations' Sustainable Development Goals (SDGs), and showcase the work that the International Maritime Organization (IMO) and its Member States are undertaking to achieve the targets.

Quoting Mr. Kitack Lim, the Secretary General of International Maritime Organisation for World Maritime Theme 2020: "The COVID-19 pandemic has affected all of us, with unprecedented impacts on our lives, our economies and our societies. At IMO we have observed and attempted to address the impacts on the shipping industry and especially seafarers. In these challenging times, the ability of shipping services and seafarers to deliver essential goods, including medical supplies, food and fuel is central to responding to, and overcoming this crisis. The pandemic has shown that shipping, the most reliable, efficient and cost-effective method of international transportation that carries more than 80% of global trade, remains the leading facilitator of the global economy. Therefore, shipping and maritime will be at the heart of the economic recovery and future sustainable growth far into the future, both at sea and ashore, supporting an inclusive and resilient economy to underpin the achievement of the sustainable development goals."

For achieving the UN Sustainable Goals by 2030; we need to ensure sustainable shipping for sustainable planet by implementing IMO's Actions:

- Enhance maritime safety and digital shipping
- Ensure and enhance the professionalism, competence, and workplace environment of the world's seafarers.
- Decarbonization of international shipping and reduction of sulphur in ships' fuel oil;
- protect the polar regions and reduce marine litter;
- Facilitation of maritime traffic in collaboration with port industry; technical cooperation and capacity building of developing countries;
- Enhance gender equality in the maritime community and;
- Maintain a robust response system to meet threats to safety and security at sea, and protect the marine environment

The role of IORA in promoting Tourism & Cultural Exchange and Sustainable Shipping

Tourism and Cultural Exchange is one of the six Priority Areas of IORA; along with two Focus Areas of Women Economic Empowerment and Blue Economy. The series of lectures delivered in the Colloquium today are focusing on the Maritime Heritage in the context of South African Shipping Heritage for Sustainable Planet. Here it is important to know that Under Water Maritime Culture Heritage (UMCH) is very important for restoring the ancient Indian Ocean Trade Routes. In July 2020, I participated in a two-day Webinar on 'Roads, Winds, Spices In The Western Indian Ocean: The Memory And Geopolitics Of Maritime Heritage', in which the issues related with Popularizing Global Narratives, Mobile Communities and Identities, Travel and Connectivity Across the Seas, Project Mausam, Cultural Routes & Maritime Heritage and Why Transnational Maritime Heritage, were discussed.

In the conclusion of the Webinar, it was highlighted that people to people contacts and socio-cultural-economic prosperity is one of the focused objectives of IORA. Indian Ocean has an area of 70 Million Square Kilometre which is shared by the countries of the Indian Ocean Region. In Africa, ships movements from West Coast to East Coast have increased during the last few years. It is relevant to point out that Shipping and Ports is one of the eight identified sectors of IORA under Blue Economy.

In a very recent study, an attempt has been made to examine successful Blue Economy examples as well as the unsuccessful examples also. The success of Blue Economy depends upon taking practical initiatives in the field of Ecological Sustainability, Social Equity as well as Inclusion of the requirements of Coastal Communities. Blue Economy is essentially an empowerment of local communities; utilisation of local raw materials in order to create gainful employment as well as gender equity across the coastal region as well as other regions of African countries.

To examine successful BE in Africa, we defined important gaps in the context of our own experiences and knowledge. Most examples of BE initiatives in the continent failed to prioritize ecological sustainability, and social equity, thus excluding the needs of coastal communities.

If the selected BE projects lead to the displacement or extinction of fishing communities along the coast and in addition, the expansion of the offshore oil and natural gas sector through exploration and new infrastructures combined with pollution and climate change may further diminish marine fisheries, especially where there is a lack of coherent and effective governance frameworks. All these factors lead to the failure of Blue Economy Development Paradigm.

With reference to Sustainable Shipping in IORA, it is to be pointed out the 5-day training programme on 'Sustainable Development for Ports and Shipping in the Indian Ocean for Maritime Connectivity' for 'Enhancing Sustainable Port Services and Management in the Indian Ocean Region for Improved Maritime Connectivity' which was held in Anjouan, Comoros on

11-14 July 2017.

Further to this, another training programme was hosted by the Maritime Institute of Malaysia (MIMA), in collaboration with the IORA Secretariat in the capital city of Malaysia, Kuala Lumpur during 22 – 26 April 2019. The course covered the economic principles and operational practicalities involved in regulating, managing and operating ports and shipping.

Thus, IORA is active in ensuring sustainable shipping for achieving sustainable planet which is the theme of the Colloquium in line with its six Priority Areas and two Focus Areas. In the upcoming Action Plan of IORA 2022 – 2026, the Member States are focussing on its implementation keeping in view the existing capability, cooperation framework and available resources so that the Action Plan of

IORA becomes more solid and feasible, for achieving UN Sustainable Development Goals by 2030.

In my opinion, the balancing between the economic, social, and environmental pillars of sustainable development is the pre-condition of the success of the Blue Economy in Africa as well as else where in the global economy. The cultural diversity of IORA can be a critical input in ensuring the efficiency of the emerging firms/industries related with ocean economy. In addition to this we need to focus on creating and sharing more data related with Blue Economy which is not adequate at present. In IORA, through new evolving action plan related with Blue Economy as well as women empowerment, this aspect is being touched but not sufficiently. For that we have to depend on more expertise in the field of generating data and the application of Artificial Intelligence and Digital Technologies in line with the Fourth Industrial Revolution.

Dr Nokwe is, inter alia, former South Africa's Consul-General to Milan, Italy; and, former South Africa's High Commissioner to Mauritius and non-resident Ambassador to Seycheles.

The APRM's CEO, Dr Eddy Maloka

The APRM's Achievements, Challenges and Perspectives

By **Dalmar Jama**

The African Peer Review Mechanism (APRM) is a mutually agreed instrument of Member States of the African Union (AU), established on 09 March 2003, that is voluntarily acceded to by AU Member States as a self-monitoring instrument for promoting good governance. In line with Assembly Decision 198 (XI), Decision 527 (XXIII) and Decision Ext/Assembly/AU/Dec.1-4(XI) the APRM is part of the AU as an autonomous entity that exercises functional autonomy. There are currently forty (40) AU Member States that have acceded to the APRM as Participating Member States.

The APRM is part of the African Governance Architecture (AGA), and is one of the premier AU Governance Institutions and Organs, expected to ensure the realization of Agenda 2063's good governance and human rights components, in particular Aspiration Three on "An Africa of good governance, democracy, and respect for Human Rights, Justice and the Rule of Law", and Aspiration Four on "A Peaceful and Secure Africa".

The APRM, as Africa's premiere governance instrument, was conceived by Africans for Africans. The objective of the Mechanism, as envisaged by NEPAD and the APRM founders in March 2003, is to contribute to Africa's socio-economic transformation through improved domestic accountability and strengthened collective action among Member States. The Mechanism, through 23 country reviews since 2005, identifies common challenges and promotes the sharing of best practices in four thematic areas - Democracy and Political Governance, Economic Governance and Management, Corporate Governance and Socio-Economic Development. Through National programmes of actions aligned with national medium-term plans, the identified challenges are addressed over a 3 to 5-year time horizon.

The APRM’s core review process can be summarized as follows:

- Member countries within the APRM undertake self-monitoring in all aspects of their governance and socio-economic development and include the views of the executive, the legislature, the judiciary, the private sector, civil society, and the media in a country self-assessment report (CSAR).

- The CSAR forms the basis for a Country Review Report completed under the direction of the APR Panel of Eminent Persons, who field a mission of African governance experts to the country to verify, ascertain, complement and augment the findings of the CSAR, and deliberate on the findings of the mission in order to finalise the country review report (CRR).

The CRR is then submitted to the government of the reviewed member state for comments and these views are summarized in an annex in the country review report. The review report, which is accompanied by a National Programme of Action that addresses the main challenges, is then tabled before heads of state and government at a yearly APR Forum for peer review and approval.

It is after the peer review that the CRR and NPoA are launched, and the Member State then reports on a regular basis on implementation of the NPOA.

Brief History

The APRM was founded with the understanding that the fundamental lesson learned from decades of plans for industrialization and development was that peace and security, sustainable development and good governance are interlinked. Indeed, governance is at the heart of many of our security and developmental challenges. The absence of good governance and the conflict this engenders is a root cause of many of Africa's challenges including youth unemployment, gender inequality and violence, insecurity, land management, electoral disputes, and inadequate structural transformation. Indeed, one can state categorically that the quality of governance has a triple significance to the African predicament: as a root cause to our challenges, as a bottleneck impeding the continent's potential, and as a precondition that is necessary to Silencing the Guns.

The APRM was therefore, born into the African political landscape because of the creativity, commitment and farsighted vision of African leaders who realized that good governance is a prerequisite to the sustainable and inclusive development of the continent.

In 2017, the 28th AU Assembly of Heads of States and Government expanded the mandate of the APRM to include tracking of the implementation and overseeing the Continent's key governance initiatives. In addition, the AU Assembly requested the APRM to monitor the implementation of the African Union (AU) Agenda 2063 and United Nations Sustainable Development Goals (SDGs), Agenda 2030.

In January 2018, the AU Assembly welcomed the proposal to position the APRM as an early warning tool for conflict prevention in Africa, harmonizing and enhancing the synergy between the APRM, African Peace and Security Architecture, and the African Governance Architecture (Assembly/AU/Dec.686(XXX)).

Mission and Vision of the APRM

The mission of the APRM is: "To promote AU shared values of democratic governance and inclusive development among African Union Member States through voluntary participation in the self-driven peer review processes and related governance improvement interventions."

The vision of the APRM is 'A well governed Africa for the Africa we want.' The vision acknowledges the challenges and portrays the future impact the APRM would like to create. The responsibility for transformation of leadership rests with the entire society. The phrase 'responsible citizenry' should underline all governance reforms championed by the APRM. The duties of a citizen must be understood beyond voting and demanding accountability of government. They must also include productivity and self-reliance by the citizens.

Strategic Objectives

The APRM is part of the Africa Governance Platform and is one of the premier AU Governance Institutions and Organs, and is expected to ensure the realization of Agenda 2063's governance components, and in particular Aspiration Three on "An Africa of good governance, democracy, and respect for Human Rights, Justice and the Rule of Law", and Aspiration Four on "A Peaceful and Secure Africa".

In order to contribute to the realization of Agenda 2063, the APRM's 2020-2024 Strategic Plan recognizes good governance as one of the pivotal dimensions of socio-economic, political, and cultural transformation in Africa, and sets the goal of advancing governance as a tool for Africa's integration.

Achievements

In taking stock of the track record of the Mechanism over the last seventeen years, one can state that through its work, the APRM has supported national initiatives on good governance in order to make perceptible improvements to the well-being of citizens, as corroborated by governance, developmental and economic indices. More and more African countries have improved adherence to Constitutionalism, the Separation of Powers, and the Rule of Law, and have enhanced access by their citizens to justice.

Some Member States have put in place mechanisms that ensure promotion and protection of human rights. The AU has, in turn, created institutions and developed mechanisms that prescribe minimum acceptable governance standards that its members need to conform to, and these are reviewed by the APRM.

The APRM has also demonstrated its impact and value in enhancing public participation and discussion of governance as well as the identification of challenges and commendable practices. It has enhanced the structure and level of engagement between state actors and non-state actors, and in some cases, the APRM has served as an early-warning mechanism to avert national crises and their ripple effects in neighbouring countries. For example, the APRM predicted the 2007 general elections crisis in Kenya and the outbursts of xenophobic attacks on nonnational Africans in South Africa in 2008.

These diagnostic strengths of the Mechanism make it a useful instrument for identifying areas that require intervention and setting reform priorities at the African Union. In this respect, the APRM has highlighted common governance challenges across the continent, including managing diversity, curbing corruption, and strengthening accountability institutions.

In countries where reviews have been conducted, the level of awareness among citizens and non-state actors on issues of governance has improved. This is corroborated by the extent to which the citizens engage their governments at the national and the local levels on issues affecting them.

In Uganda, for example, the country self-assessment, country review reports and NPoA, together with the annual progress reports arising out of the 2008 and 2018 reviews are now important reference works on the history, achievements, prospects, problems and challenges of the institutions and processes of governance. They create a platform for activists and lobbyists to track Uganda's commitments to improving governance. They have also created a rich resource of information for those interested in Uganda's future to draw on as they shape the country's policies.

Other direct outcomes of the APR process include a reduction in the size of cabinet in Ghana as well as the passing of laws to protect whistle-blowers and promote access to information. Also, subsequent to the country review in Rwanda, the country reformed its business environment and various governance indicators indicate significant progress made in terms of control of corruption, government effectiveness and transparency of the regulatory frameworks.

Retrospectively, the APRM process has been an important vehicle for conducting grand, national policy debates on the past, present and future of APRM Member States in an open, frank, and non-intimidating manner and environment. It has created new spaces for citizen participation in public affairs and has provided a niche that citizens can use to create a better understanding of democracy, as well as greater awareness of the political issues at stake. In this process, the Mechanism has also facilitated the promotion of a common African citizenship and has facilitated continental integration.

Challenges

Since its inception in 2003, the APRM has produced 23 first review reports and three second review reports, with accompanying national programmes of action. These serve as early warning system and candidly elucidate and encapsulate salient features or issues faced by APRM Member States, including challenges such as:

- Management of diversity and protection of rights of vulnerable groups, including gender inequality;
- Youth unemployment;
- Service delivery and anti-corruption activities;
- Inadequate regional integration and movement of persons, goods, and capital; and
- Tackling environmental degradation, desertification, and vulnerability to climate change.

APRM has also highlighted specific thematic challenges in governance. In Public Administration, for example these include:

i. Enhancing the capacity of Public Sector institutions to meet their delivery mandates including regulators, key delivery ministries and agencies (power, water, home affairs/interior delivery of birth, marriage, identity documents, land registration, business licensing and sector regulators, environmental and workplace inspectors, consumer safety watchdogs etc.);

ii. Ensuring the financial and administrative independence and capacity of the national and local judiciary, the legislature, mediation, and other state oversight institutions;

iii. The necessity for curriculum review and apprenticeship schemes at institutions of higher learning to equip young people with employment-related skills to serve the public sector;

iv. The need to implement fiscal decentralisation and a funding formula for local government to ensure local government capacity and skills development;

v. Parliamentary Public Accounts Committees often not thoroughly scrutinizing annual accounts. The oversight function is often impaired due to inadequacies in institutional capacity both in the Parliamentary and local districts/re-

gions/provinces; and last but not least the

vi. Lack of political will to fight corruption and the need:

- To enforce anti-corruption laws more vigorously, consistently, and even-handedly; and
- For sanctions against convicted corrupt public officials regardless of seniority, political affiliation.

The Mechanism itself has been affected by operating challenges including (i) the long completion times in receiving Member State country self-assessment reports, which is affected by national elections and developments and (ii) the COVID-19 pandemic, which has delayed some reviews and required modifications to working tools and processes.

These challenges have been mitigated by the APRM's program for training national structures to ensure continuity of work, using apolitical national commissions on governance that can operate even during national elections, and increasingly employing virtual tools and processes in administering the programme.

Perspectives

The APRM is implementing its 2020-2024 Strategic Plan, in close alignment with the AU Commission Medium Term Plan (MTP) for 2018-2023 alongside the AU commission and other organs that comprise the African Governance Architecture. This will ensure that the APRM will achieve its vision for a well governed Africa, anchored to AU Agenda 2063's vision for "an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena."

Dalmar Jama is the APRM's Head of Strategic Planning

AFRICAN PEER REVIEW MECHANISM

APRM

MANU DIBANGO: Afropolitan Spirit

Our editorial correspondent, MANDLA ZIBI, chronicles the life and times of Africa's foremost musical alchemist, Manu Dibango, who unfortunately succumbed to COVID-19 related illness on 24 March 2020 in France.

The life of Manu Dibango, Cameroon's greatest musical export, lends truth to the Christian adage that " a prophet is not without honour except in his own hometown".

One of the first few African artists to be lauded by the western world as a star, yet in his own country, the powers that be saw him at best as a nuisance and at worst as a potential threat. They tossed a few honours his way but kept a suffocating hold on his creativity.

Despite the lack of respect and the full embrace of his gift, many ordinary Cameroonians knew him and his music, and he paved the way for a new generation of African musical superstars who even now openly admit their indebtedness to him.

Emmanuel N'Djoké "Manu" Dibango was born in Douala, Cameroon's largest city, to a civil servant father and a dress maker mother. He grew up listening to Protestant church music, local traditional music and Westernized pop.

Known as a singer, songwriter and saxophonist, he developed a fusion of jazz, funk, and traditional Cameroonian music. He is best known for his 1972 hit single "Soul Makossa".

At 15 Dibango' parents sent him to France to study music. But when he started performing in cabarets and jazz clubs, his family cut off his allowance.

With Francis Bebey, another musician from his native Douala, he formed a band and began to experiment with different modern instruments, mainly piano and saxophone.

After relocating to Brussels, his musical star began to soar, through fruitful contacts such as Joseph Kabasélé of the band African Jazz, who introduced him to the cha-cha and the rumba, the two main streams of Congolese music.

In 1961, Kabasele also invited Dibango to Zaïre, now the Democratic Republic of Congo. The

result was his first record, African Soul, a mixture of jazz, popular music, and rumba.

His 1972 hit "Soul Makossa" was so brilliant that Michael Jackson couldn't resist sampling it for the song " Wanna Be Starting Something", part of the mega-selling 1982 album "Thriller."

Jackson used the "Ma ma-se, ma ma-sa, ma ma-kossa" hook from "Soul Makossa" without permission and without crediting its owner. When Dibango found out he thought about suing the megastar but Jackson was the first to admit the blunder and the matter was settled out of court.

Other superstars like Rihanna and Kanye West have also sampled the same hook from Jackson's song.

"Soul Makossa" was originally the B-side of a single celebrating Cameroon's national soccer team. According to "Turn the Beat Around: The Secret History of Disco" (2005), by Peter Shapiro, the New York City disc jockey David Mancuso found a copy in a West Indian record store and played it at the Loft, a pioneering disco space, and the influential radio host Frankie Crocker put the song in heavy rotation at his station.

Soon there were more than a dozen cover versions, as the imported original disc sold out. Atlantic Records licensed Dibango's original, which reached the American pop Top 40 in 1973.

The hit launched Dibango on a worldwide touring and recording roller coaster. He collaborated widely with the reggae producers Sly Dunbar and Robbie Shakespeare in Jamaica; with Serge Gainsbourg in Paris and with the bassist and producer Bill Laswell in the group Deadline in the United States.

At the 16th Annual Grammy Awards in 1974, "Soul Makossa" was nominated for Best R&B Instrumental Performance and Best Instrumental Composition.

In 1976 Dibango achieved a considerable following in the UK with a disco hit called "Big Blow", originally released in 1976 and re-mixed as a 12" single in 1978 on Island Records.

In 1992 he recorded "Wakafrica," an album of African hits with guest appearances by King Sunny Ade, Ladysmith Black Mambazo, Salif Keita, Papa Wemba, Yossour N'dour, Angelique Kidjo and others.

"Sound is a magma. You have to give it a form. It's never the same," Mr. Dibango said in a 1991 interview with UNESCO's Courier magazine. "In music there is neither past nor future, Part 2

only the present. I must compose the music of my time, not yesterday's music."

According to Francis Nyaminjo, professor of Social Antropology at the University of Cape Town, Manu Dibango's music "brought him worldwide fame but he did not feel particularly fulfilled in the land of his birth."

Instead he spent a large part of his life struggling to win recognition for "music as art and musicians as artists in his motherland and elsewhere in Africa."

In 1963, before he was internationally famous, he returned to Cameroon from Zaïre, only to leave the following year for France again, due to the indifference of his country' elite to cultural innovation and development.

Still, he paid brief visits home throughout the 1980s onwards. Although he was friends with the culture minister in Cameroon his efforts through his album "Fleurs Musicales du

Cameroun", to unify all the musical currents in the country, did not succeed.

Dibango was appreciated by ordinary Cameroonians but according to Nyaminjo, he felt cursed that "he couldn't create something right here in Cameroon".

"Despite the government's attempts to impose creative inertia upon him in the early 1960s, Dibango was given the honour of composing the theme song of the 1972 Africa Cup of Nations football
finals hosted by Cameroon. In 1988, he received a decoration as a Knight of Order and of Valour."

"However, as Dibango observed, 'the authorities could decorate me with all the medals they liked' without doing much to stop 'the descent into hell' for artistic creativity in a country where it is not uncommon to mobilise the military to raid clubs. Or to impose entertainment taxes with the intention of crippling artists who are perceived to be critical or unpalatable," Nyaminjo argues.

In his 1994 biography, Dibango described himself as "Négropolitain", an ancestor term that would later be adopted and popularised as "Afropolitanism" by others. Nyaminjo observes that Dibango "coined the term to capture his identity as Afro-European or African and European at one and the same time."

A "man between two cultures, two environments" whose music could not be "confined to either, without losing its complexity and richness."

Although the situation has improved significantly since publication of his biography in 1994, Dibango's music is still much more appreciated abroad – as "world music" – than in Cameroon, says Nyaminjo.

Manu Dibango died after contracting COVID-19 at the age of 86 in Paris, where he felt "condemned to be an expatriate".

"Quibble as they may in Cameroon, Dibango leaves behind a towering record of Afropolitan musical genius of truly global magnitude, to feed and inspire many a generation to come. Manu Dibango does not have to be in Cameroon, in Africa or physically in the world to continue to do things of relevance," Nyaminjo concludes. Ends.

*Dibango's extensive catalog includes film scores, jazz standards, reggae, pop and hip-hop. In 2017 he released "M & M," a collaboration with a jazz saxophonist from Mozambique, Moreira Chonquiça, and in 2018 he released "Cubafrica," a collaboration with the Cuban group Cuarteto Patria.

Against all odds: Geared for Victory

SPORTS

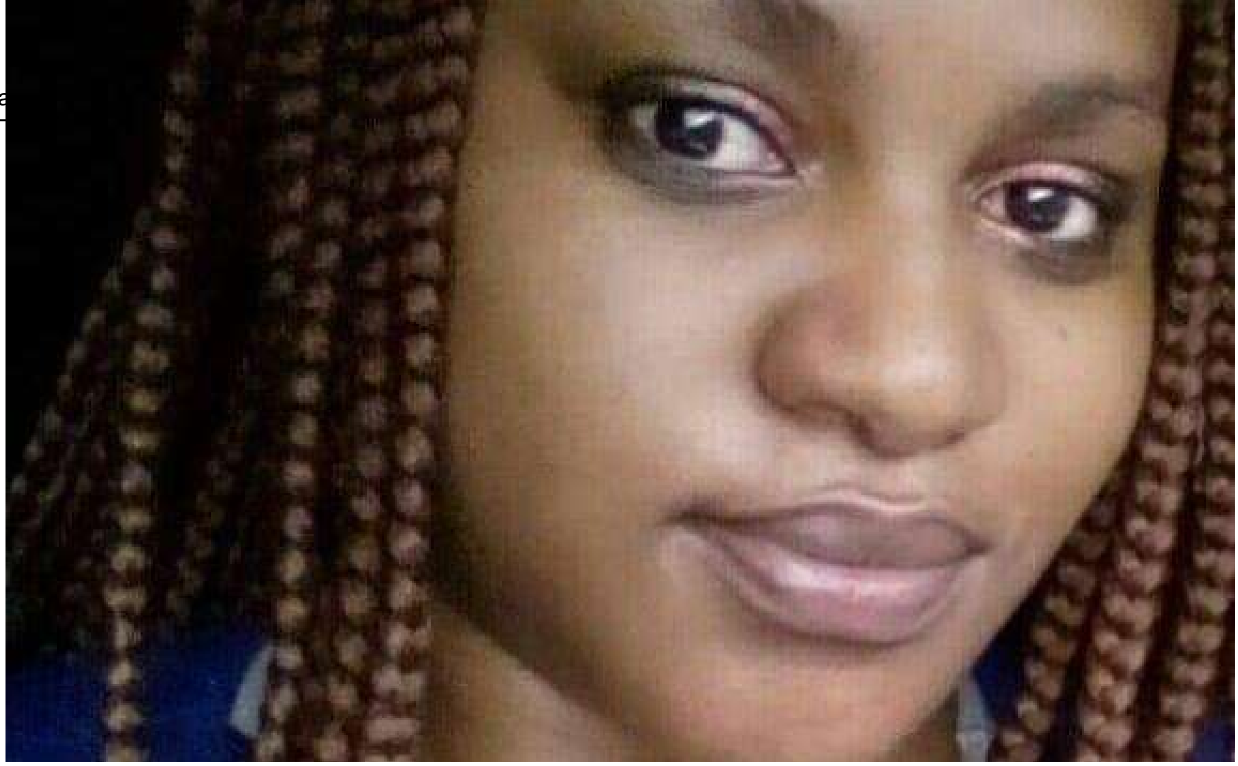
In this very first sports article for Jambo Africa Online, MASEGO MOKHINE, shares with us her inspirational story of triumph over adversity.

I'm a young woman who was born in Soweto, Johannesburg. I was born with a disability called Congenital Malformation of a right hand and a left leg (means my left leg is shorter than my right leg and I have 3 fingers on my right hand). I'm surrounded by a loving family of a mother, three sisters, one younger brother, two nieces and a nephew.

I was raised by my grandmother in Dobsonville. Though disabled, I attended a mainstream crèche but was later taken to Adelaide Tambo School where I started my Grade R till I passed Grade 12. I then started taking part in sport in 1999, when I was about 12/13.

After I passed my matric as the top learner in Gauteng above all the learners with special educational needs (LSEN), I went to the University of Johannesburg where I completed my Sport Management National Diploma, majoring and Physiology and Public Relations.

Below are my achievements from School, University till now in a yearly sequence:



Year-by-year achievements

- **1999 –** Started sport in 3 field events code namely javelin, shot-put and discus and came back with 3 Gold medals.
- **2000 –** I added 4 more sporting codes, namely 100m, 200m, long jump and table tennis bringing back 7 gold medals home.
- **2001** – 7 Gold Medals and added wheelchair basketball.
- **2002 –** Selected to represent South Arica in France Lille (My 1st time going overseas at the age of 16) at the World Championships in the 200m and Javelin. I came 7th in 200m and 4th in Javelin.

- During the same year, I was also selected to play for a KZN wheelchair basketball Men's Team making me the 1st woman to play in the Men's league.

- **2003 –** I achieved 8 Gold medals and played for a Central Gauteng team Boys Team in Wheelchair Basketball.
- **2004** – Completed my matric being top of Gauteng LSEN and I was extensively profiled in many major newspapers and magazines. Medals were still flowing in.
- **2005 –** I lived in an orphanage called Home of Hope in Berea, Johannersburg, as I lost my grandmother and suffered scathing psychological problems. This gave me an opportunity to learn about life in general and the experiences of others. I was then appointed an administrative assistant to the social worker who took care of us and I was also volunteered in many social responsibility projects we had. I also entered Miss Confidence SA where I won the Miss Personality and Miss Photogenic.
- **2006 –** Started studying at the University of Johannesburg and also continued with my sport. Later in the year I started a disability sport club. During the holidays I would make calls to register my friends from different provinces to come participate at the UJ in order to increase the numbers.
- **2007** – I was awarded the "Sport Woman of the Year" in the Disability category. Later in the year, I added another code named adaptive Rowing. We went to Guatemala to Qualify for the Beijing Paralympic Games with the

wheelchair basketball team but came 3rd and only the 1st 2 teams qualified.

- **2008** – I travelled to Germany to qualify for the Beijing Paralympic Games and we were successful in qualifying, and the cherry on top was that I became the 1st African (black) woman to row in the world. In Beijing we took position 8 over 16 teams and we were honoured with a diploma. I finally got 1st runner-up of the Sport Woman of the Year in UJ.
- **2009 –** I was chosen to participate at the International Wheelchair and Amputee Sport Games in India where I came 3rd in shot-put and won a gold medal in Javelin with a PB and a new African Record.
- **2010 –** I started working for different companies and still participated in sport. There wasn't much happening as the focus was on soccer since SA was hosting the FIFA World Cup.
- **2011 –** Rowing SA called me to help qualify for the London Paralympics and unfortunately we came 4th and only 2 teams went through because some got an automatic qualification. The Championships were held in Bled Slovenia.
- **2012 –** I missed the London Paralympic Qualifications in India for Wheelchair Basketball because unfortunately we were beaten by Mexico in 3 Games. Though we lost, overall I was the highest top goal scorer and I was given such recognition. Later in the year I had another opportunity to qualify for athletics but unfortunately I had food poisoning and ended up in hospital.

Same year, the SABC invited me as one of the sport analysts for the Paralympic Games and the advantage was that I knew 99% of the athletes who went there.

2013 – I worked at the Gauteng Sport Council as a Sport Coordinator which involved working on improving sport for persons with disabilities first in Gauteng and hopefully one day we'll cover entire South Africa.

Same year, I was a finalist at the Gauteng Sport Awards for the category: Disability Sport Woman of the Year. Unfortunately, I didn't win.

All in all, despite my disabilities, I have received 185 Gold Medals; 4 Silver Medals; and three Bronze Medals. And furthermore, I have won 28 trophies in different sporting codes and academy achievements – and these accolades include the "Most Valuable Player", "Top Student", "Best Female Athlete" and the "Most Improved Athlete".

Masego Makhine will be co-hosted on Power98,7 FM (DSTV Channel 889) on Thursday, 12 November 2020, by ***Jambo Africa Online***'s Publisher, Saul Molobi, and veteran radio presenter, Thabiso Kotane, to share her story with the broader public.

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