Council of Great Lakes Governors
Regional Impact Global Leadership

Mexico City, Mexico

- Toronto, Canada
- Mexico City, Mexico
- São Paulo, Brazil
- Santiago, Chile
- Johannesburg, South Africa
- New Delhi, India
- Shanghai, China
- Sydney, Australia
EMERGENT AFRICA: Business Success in the 21st Century
Things you need to know to reach one of the world’s fastest growing emerging markets.

Council of Great Lakes Governors
Trade Mission to EAST AFRICA
May 11-16, 2015
Richard Zurba  February 2015
You are the most important asset you have, and in selling internationally, travel and personal presence is critical to business development and sales.
Africa as a Business Destination
The True Size of Africa
$1.6 trillion collective GDP (~= Brazil or Russia)

$860 billion – consumer spending in 2008 / $1 trillion in 2011 estimate.

400 million – new mobile phones subscribers signed up since 2000.

60% - Africa’s share of world’s total amount of uncultivated arable land

Source: McKinsey Global Institute
52 cities of more than 1 million population

20+ number of African firms with revenues of over $3 billion.

$2.6 trillion collective GDP in 2020

$1.4 trillion consumer spending in 2020

Source: McKinsey Global Institute
1.1 billion – working age population in 2040

128 million – number of African households with discretionary income in 2020

50% - proportion of Africans living in cities by 2030

Source: McKinsey Global Institute
Business Languages in Africa
Social and Political Issues

* Middle class expansion / growth creating “crises”
* Electricity, Water and Sewerage all at critical capacity levels – note spending trends.
* HIV/AIDS – note US efforts with USAID/PEPFAR
* Generally has high crime rate (mainly domestic)
* FDI: strong interest from around the world
* Strong Economic Growth: 5 -7 %
* Technology leapfrogging into 21st Century
* The rise of China and India have had both good and bad effects on the markets.
Growth of US Exports to Africa

USA to Africa: 2005: $15.3 b / 2013: $35.1 billion

“U.S. goods exports to sub-Saharan Africa in 2013 were $24 billion, up 6.9% ($1.5 billion) from 2012, and up 250% from 2003. U.S. goods exports to sub-Saharan Africa accounted for 1.5% of total U.S. goods exports in 2013.”

“The top export categories (2-digit HS) in 2013 were: Machinery ($4.9 billion), Vehicles ($3.6 billion), Mineral Fuel (oil) ($3.5 billion), Aircraft ($1.3 billion), and Cereals (wheat and rice) ($1.3 billion).”

“President Obama’s new initiative, Trade Africa which was announced during his trip Africa in June 2013. This new partnership between the United States and sub-Saharan Africa will seek to increase internal and regional trade. ...Trade Africa will initially focus on the member states of the East African Community (EAC) and aims to double intra-regional trade in the EAC and increase EAC exports to the United States by 40%.”

Source: US Trade Representative
Tanzania – Quick Facts

Population: 46.3 million (26.7% urban)
Capital: Dodoma / key city: Dar es Salaam
Languages: Swahili, English (both official), Arabic (Zanzibar), others
Tanzania – Quick Facts

GDP: $79.4 billion (PPP) / Per Capita GDP: $1,715
Economic Growth: 7%
Inflation: 7.9% / FDI: $1.9 billion (2013)
Currency: Tanzanian Shilling ($1.00 = 1,814 /- )
Ease of Doing Business Index: 109
Imports Total: $14.5 billion
Industries: Mining (gold = 30% exports), agriculture.
Average Tariff: 11.5% / customs delays
Population: 44.4 million (30% urban)
Capital: Nairobi
Languages: Swahili, English, (both official) others
Kenya – Quick Facts

GDP: $80.4 billion (PPP) / Per Capita GDP: $1,812
Economic Growth: 5.6%
Inflation: 5.7% / FDI: $514 million (2013)
Currency: Kenyan Shilling ( $1.00 = 91.5 /- )
Ease of Doing Business Index: 122
Imports Total: $15.86 billion
Industries: Agriculture.
Average Tariff: 10.5% / regulatory hurdles
Some Export Prospects

Agricultural Inputs
& Processing Technologies

Automotive Parts & Acc.

Household & Consumer Goods

Information Systems Technology

Telecommunications Equipment
& Broadband Solutions
Some Export Prospects

Environmental / Water / Sanitation Engineering

Medical Equipment

Manufacturing & Line Technology

Mining Machinery

Power Generation and Supply

Specialty Chemicals
Business Language is English, use some Swahili phrases in introductions

Legal/Admin Frameworks Similar

East Africans are Hospitable, value Politeness

Hierarchical in Organizations

Business is done to International Convention and Standards in most regards, beware of Corruption

Relationship Building and Trust are Critical

Contractual Obligations are Important
Summary: Good for American Business

Strong regional market for goods and services.

US is well priced in many sectors. US export growth has a strong message.

East Africa is a springboard into other regions of Africa, the Indian Ocean Rim

East Africa is generally a free trading region, English speaking, values transparency in business.

GOOD MARKET, EASY ACCESS, READY FOR BUSINESS
Don’t just be one of the crowd!!!
CGLG East Africa Trade Mission 2015

- May 11-16, 2015
- Multi-sector trade mission to East Africa
- Nairobi, Kenya and Dar-es-Salaam, Tanzania
- Customized one-on-one business appointments with interested distributors, agents and other prospective business partners set up by the CGLG Southern Africa Trade Office (average 3 – 4 appointments per day)
- Brief market overview including industry sector information and target company profiles
- In-country business briefings
- In-country staff support of CGLG Southern Africa Trade Office
- Group airport-hotel-airport ground transportation in two cities
- Assistance with hotel bookings, drivers and interpreters
<table>
<thead>
<tr>
<th>Date</th>
<th>Activities</th>
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<tbody>
<tr>
<td>May 9 &amp; 10</td>
<td>Depart U.S. for Kenya, Arrive Nairobi, Kenya</td>
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<tr>
<td>May 11</td>
<td>AM: Country Business Briefing, Individual Business Appointments in Nairobi, PM: Networking Dinner</td>
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<tr>
<td>May 12</td>
<td>Individual Business Appointments in Nairobi</td>
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<tr>
<td>May 13</td>
<td>Travel to Dar-es-Salaam, Tanzania, Tanzania Country Business Briefing</td>
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<td>May 14</td>
<td>Individual Business Appointments in Dar-es-Salaam</td>
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<tr>
<td>May 15</td>
<td>Individual Business Appointments in Dar-es-Salaam</td>
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<tr>
<td>May 16</td>
<td>Depart for U.S.</td>
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CGLG East Africa Trade Mission 2015

May 11-16, 2015

Mission registration deadline: March 11, 2015

- Mission Participation Fee US$ 995 per person
- Brief Market Research and Appointment Setting
  - $3,250 USD Great Lakes Companies (in States and Provinces not listed below)
  - $2,750 USD Companies located in Wisconsin
  - $1,550 USD Companies located in Illinois and New York

Grant funding available in many states

- Main goal: To assist SMEs from the Great Lakes region or Canada looking to export products and services to East Africa

CGLG FY14-16 TRADE MISSIONS

Québec: June 15-17, 2015
Montreal (in conjunction with Governors & Premiers meeting in Québec City)

Brazil, Chile and Colombia: Sept 27-October 7, 2015
São Paulo, Santiago and Bogotá

Website: http://www.cglg.org/projects/international-trade/
THANK YOU & QUESTIONS

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