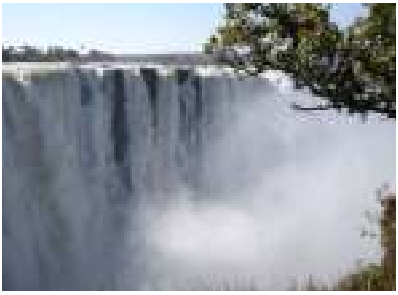
Africa

New horizons



NEPAD BUSINESS FOUNDATION

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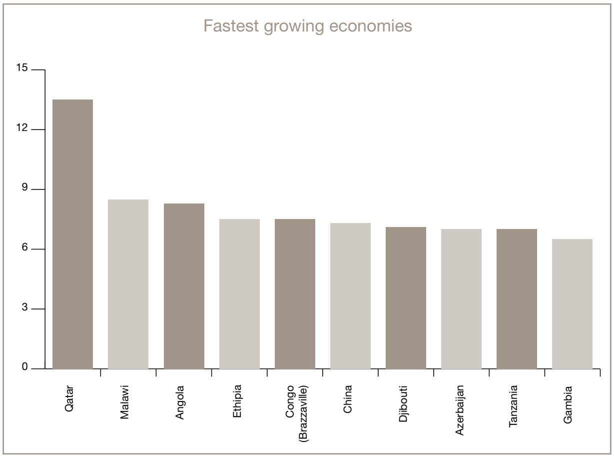
Africa in focus

Africa is the world's second largest continent after Asia, and comprises 54 independent countries, with a population of 955 million people. Often seen by observers as a single country, Africa has a complicated history, is difficult to understand and is often misunderstood. All its major regions have recently experienced strong economic growth, driven in part by its wealth of natural resources. In December 2008, *the Economist* published the economic growth forecast for the ten fastest growing economies for 2009: 7 out of 10 of these are in Africa. The continent is blessed with vast resources, producing approximately 13% of the world's oil; 46% of its diamonds; 21% of its gold; 57% of its cobalt; and 50% of its platinum-group metals.

Sheltered from the storm



While most of the developed world has slipped into recession and growth has slowed in developing countries, but Africa has bucked the global trend.

This year marks the halfway point in efforts to achieve the Millennium Development Goals (MDG), and progress has been promising in some areas such as primary education and vaccination rates. There are 16 cities in Africa with a population over two million. The United Nations estimates that Africa's population will increase at a compound rate of 1.6 percent per year, until the year 2050, when it will stand at 1.766 billion, making up 20 percent of the total world population. In 2050, Nigeria will be the sixth most populous nation in the world, with over 244.3 million people.

From the Afar people in Ethiopia, and the areas of Eritrea, Djibouti, and Somalia in the Horn of Africa; to the Samburu people living just above the equator where the foothills of Mount Kenya meet the Rift Valley, to further south where the Zulus live in South Africa, Africa is a kaleidoscope of tribes and nations, intermingling with many foreigners from as far afield as China and India, Europe and the Baltic, North and Latin America. For these people too, Africa is considered their home. The colourful and constantly changing scene of humanity is never fixed, as different cultures bring their own brand of ethnicity onto the scene.

The remarkable trait of the African people is that this enlargement of cultural influence melts in with their own traditional way of life, and in time marks the foreign influence with an African identity – foreign yet distinctly African.

Africa is finally grabbing the world's attention, with more companies setting up offices, increased financial coverage by banks, and strong stock market performances.

The year 2008 marks the decade that Africa's energy and mining industry came to life, bringing an unprecedented oil export boom. Already boasting the highest return on investment, Africa is a tempting place to do business.

The land is rich in natural resources, bearing distinct features between north and south. A complex continent of ancient cultures moving towards modernity at different speeds.

In tumultuous times, an African stands at the helm of disparate challenges, contemplating the role Africa will be called upon to represent in a connected world. A new age where borders are dimmed by oneness, yet easily crossed by violence and the press of humanity plucked from their homeland without a place to call home.

Africa faces some unique challenges in a globalised world, far removed from the antiquities of Gondwanaland. What happens in China or the United States, Europe or Australia happens in Africa at the same time. News now moves so fast that it is available in the farthest corners of the world at a click of a mouse. The challenges of population, poverty, disease, climate change, food shortages, war, globalisation and all the peripheral matters connecting this incomplete list face Africa today – and it will take new leadership to create the future for the continent's people.

At PricewaterhouseCoopers, our sincere hope is that this brief overview of this complex continent will add value in a small way, as we collectively move towards reshaping the future.

We are proud of this publication, which discusses Africa in a totally different world-context, characterised by the modern version of globalisation. Across the continent, democracy is spreading, and the numbers of democratically-elected leaders are on the increase.

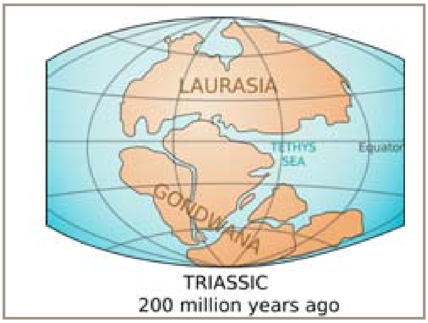
Africa stands at the crossroads, with new winds of change blowing.

The time has come.

Stanley Subramoney

Stanley Subramoney
Deputy CEO
PricewaterhouseCoopers Inc, Southern Africa

Deep roots

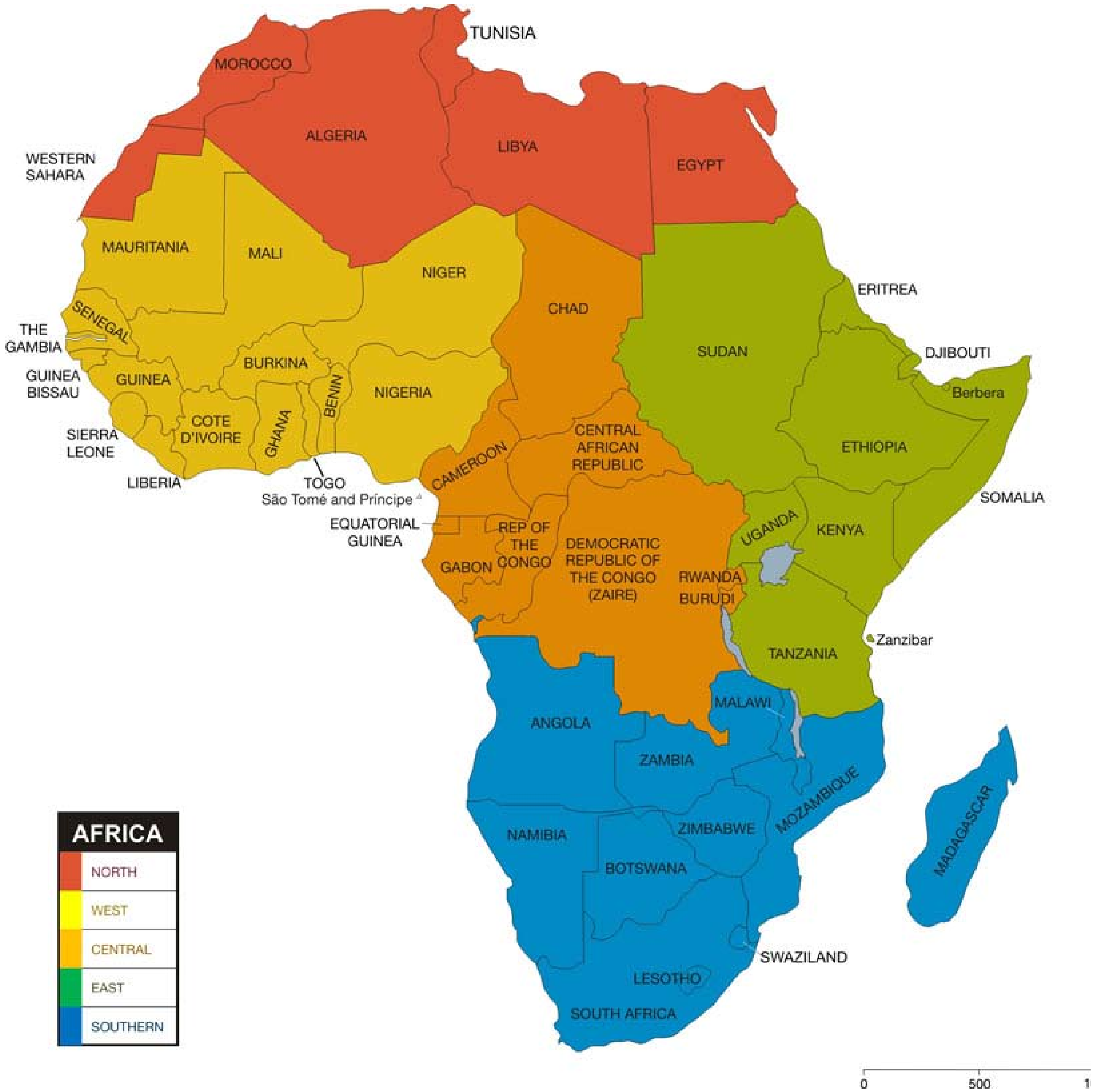


The matching shapes of the coastlines of western Africa and eastern South America were first noted by Francis Bacon in 1620 as maps of Africa, and the New World first became available. The concept that all the continents of the Southern Hemisphere were once joined together was set forth in detail by Alfred Wegener, a German meteorologist, in 1912. He envisioned a single great landmass, Pangaea. Gondwana comprised the southern half of this supercontinent. The concept of Gondwana was expanded upon by Alexander Du Toit, a South African geologist, in his 1937 book *Our Wandering Continents*. Du Toit carefully documented the numerous geologic and paleontological lines of evidence that linked the southern continents. This evidence included the occurrence of glacial deposits of Permo-Carboniferous age (approximately 290 million years old) and similar floras and faunas that are not found in the Northern Hemisphere. The widely distributed seed fern Glossopteris is particularly cited in this regard. The rock strata that contain this evidence are called the Karoo (Karroo) System in South Africa, the Gondwana System in India, and the Santa Catharina System in South America. It also occurs in the Maitland Group of eastern Australia, as well as in the Whiteout conglomerate and Polarstar formations of Antarctica. Though the concept of Gondwana was widely accepted by scientists from the Southern Hemisphere, scientists in the Northern Hemisphere continued to resist the idea of continental mobility until the 1960s, when the theory of plate tectonics demonstrated that the ocean basins are not permanent global features and vindicated Wegener's hypothesis of continental drift.

Be this as it may, Africa stands boldly, as memory holds the door to its ancient past – this great continent reaching from Neanderthal man to present day African nations, diversified by many languages and many colours into a complex kaleidoscope. It anticipates the dawn of an economic future, united by the blood flowing in their African veins – different, yet African.

Any visitor to Africa will get a feeling of the continent that is intangible to describe. This throb that is home to nearly a billion people is now challenged by unfettered freedom from colonial rule and awaits a delayed dawn of global equality. African sunsets are something great to behold, but conversely, African sunrise is a once-in-a-lifetime experience not seen anywhere else in the world. Let this be a time when those who visit Africa's shores bring new hope and reconciliation to a continent keenly awaiting the rising of the sun of prosperity for its many people.

Colours of Africa



Pan-African colours are black, red, yellow and green. Black is the skin colour of African people; red represents the noble blood of black people spilled in the occupation of Africa; yellow represents gold and riches taken from African people; and the green represents the vegetation of Ethiopia, the promised land. These colours are freely used in country flags throughout Africa.

Since not all African countries accept that these are primary national colours, we have defrayed from using them in any particular order, and have taken the sensible route of splitting this dialogue into five colours, chosen at random to represent the north, west, central, east and southern African regions.

The map of Africa depicts disparate nation-states, joined by common borders, which inevitably lead to migration and calling out to where a future of economic wealth is perceived. This is usually not to emigrate, but to work as migrants on another nation's land.

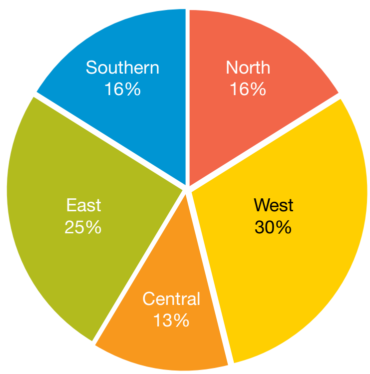
Population profile

This year marks the halfway point in efforts to achieve the Millennium Development Goals, and progress has been promising in some areas such as primary education and vaccination rates. However, demographic trends are interfering with efforts to achieve other goals. For example, increasing population exacerbates extreme poverty, even as work is being done to mitigate it. Africa is the world's second-largest continent, after Asia. It has 54 independent countries: 48 on the mainland and six island states—with a population estimated at 955 million; 14 percent of the 6.6 billion inhabitants of our world. There are 16 cities in Africa with a population over two million. The United Nations estimates that Africa's population will increase at a compound rate of 1.6 percent per year until the year 2050, when it will stand at 1.766 billion, 20 percent of the world. In 2050, Nigeria will be the sixth most populous nation in the world, with 244.3 million people.

Africa's people are the most diverse, from the tall Maasai warriors of the Kenyan Savannah, to the small-in-stature Bambuti and Batwa tribes, dwelling in the rainforests of the Congo region, led by their forest spirit, Jengi. African religious and cultural beliefs impact on Islam, Hindu, Buddhist teachings and Christianity. Between the many extremes, African people display their diversity, creating many challenges, one of which is education. In one out of four African countries, half of the children enrolled at the end of primary school do not continue to the secondary level in the following year, according to the UNESCO Institute for Statistics (UIS). However, more than 85% of primary pupils make the transition in most countries of Europe, Asia, North and South America. Just one-quarter of African countries achieve similar results.

Africa needs to be viewed in the light of diversity.

Regional population



Challenges of the distressed economic climate

> It is better to meet danger than to wait for it. He that is on a lee shore, and foresees a hurricane, stands out to sea and encounters a storm to avoid a shipwreck.
>
> Charles Caleb Colton (1780-1832)

While the route up Mount Everest has a well-defined path, in the Sahara, the dunes are always changing and it is extremely easy to get lost. Desert sands constantly move and change – and so it is with global trade. Countries that were once net exporters are now net importers. This is especially so with Africa's main trading partners. Africa has evolved into a net exporter, on balance, together only with China, whilst other main African trading partners are net importers. This is commendable. The dichotomy is that this favourable balance is only achieved by exporting mainly unprocessed raw materials, which is like a halfway house between giving a man a fish or teaching him how to fish. Unless Africa is afforded the opportunity to enlarge the scope beyond extracting the wealth from the earth and sending it elsewhere for enrichment, a barren landscape is the legacy offered.

When the financial crisis hit the developed world's financial markets and quickly spread to the world's emerging markets; by late 2008 the prognosis for Africa appeared that it would escape relatively unscathed. Being isolated and having a limited financial market, African financial sectors are insulated to some degree from the systemic problems underlying the meltdown. Very few African banks or other financial institutions outside of South Africa held US or European subprime mortgage-backed securities or other risky derivative securities. In the case of South Africa, by far Africa's largest economy and most closely integrated into the global financial system, exposure was limited, and bank balance sheet liabilities were mainly denominated in local currency. This was indeed one time when the residue of previously pervasive capital controls was an advantage. In addition, tight regulation by national (and in the case of West Africa, regional) supervisory authorities and restrictions in some countries on foreign ownership of banks have served to limit the impact of the financial crisis on Africa.

Initially, African bourses held up well compared to both developed and larger emerging markets in 2008. “Decoupling” appeared to be a reality, yet the integrated realities of a connected world kept African markets well off their peaks. When the financial meltdown reached full intensity late in the third quarter of 2008, hedge funds were forced to liquidate positions and repatriate capital in the face of growing redemption demand, and the contagion turned into a generalised retreat from all risk.

Africa’s markets were swept into this global mêlée, any sense of separation proved fruitless and the apparent decoupling disappeared. South Africa’s Johannesburg exchange, by far Africa’s largest, had by mid-November fallen about 31 percent. When translated into dollars, the decline was almost 65 percent, and it was inevitable that investors rushed to liquidate positions and take their capital home, resulting in rapid currency depreciation. The largest direct impacts of the financial crisis in South Africa have been on the exchange rate and on the related rise in imported inflation as the higher costs of imports in rand terms have been passed on to consumers. Other countries fared no better, and the end is not in sight.

As the global recession is extended, Africa’s financial markets will feel the pressure, and the effect on commodities is indeterminable, especially in the large commodity producers such as Nigeria, South Africa, Angola and Zambia. In Africa, the bulk of individual consumption expenditure is for food and this is no small mitigating factor. Given the current financial crisis and bleak near- to medium-term global economic forecasts, the International Monetary Fund (IMF) nonetheless expects that real economic growth in 2008 on the continent will exceed five percent, while estimates for the growth rate in South Africa are in the three percent to four percent range this year, and two percent to three percent in 2009. Uncertainty holds the door ajar, and the future cannot be predicted.

Many Africans work across borders within Africa, or are employed abroad either legally or illegally. The “refugee migratory working class” has had this burdensome method to build an economic future, which was foisted on them because of the turbulent history of all African States. No exceptions. Africa’s birth is marked by much pain, blood and loss of own heritage. No birth is a pleasant sight. We all know that it is marked by all the signs that have haunted the African people. Pain, water, more pain, then blood and birth. But birth is different to pain. It is life. Because of this pain, Africans have been true to their birthright, and there is a known unwritten policy that a large portion of what they earn is sent back home to their extended family, as they recognise this.

Africans in Sub-Saharan Africa received around $12 billion in remittances in 2007 from outside their home country. This is the official number. With "informal" flows added, the total amount can easily be double that number. Nigeria, Kenya, Sudan, Senegal, Uganda and South Africa received the highest volume of remittances, while in smaller countries such as Lesotho remittances represent up to a quarter of GDP.

Remittance costs are significantly higher for Africa compared to other regions; costs can go up to almost 25% of the amount remitted. Remittances between African countries (from South Africa, for example) are especially expensive. This reality offers a unique opportunity where reducing these costs will mean substantial extra transfers, and the World Bank's agenda reflects that this will be a medium-term aspect of focus in the African financial sector. The immediate concern is, however, stability of flows: the recent international credit crisis will lead to a slowdown in remittances. Remittances have generally been counter-cyclical in the past, as they tend to increase when the receiving countries experience adverse events.

But a recession in sending countries could hurt the capacity of migrants to send money home. These remittances fall outside of the aggregate foreign direct investment, and are too significant to be ignored when the future financial health of Africa is being considered.

It is widely recognised in Africa that sending cash remittances home are a part of life both for the migrant and his family. The collapse of available transfer facility to do this should be high on the agenda of the international community, and these channels should be left unscathed. The interbank, inter-country remittance of funds is the lifeblood of the population, since normal business process is not readily available in the rural areas where this monthly stipend is the only lifeline between food and starvation. These remittances very often exceed the country's GDP in Africa and are more effective than foreign direct investment (FDI) in staving off crises in the short term.

To ensure sustainability, Africa must have substantial outside investment, both long-term FDI into new productive capacity which would lead to job creation, and portfolio investment to finance current account deficits, if it is going to develop. A long global recession will delay a reversal of the negative flow of investment capital that has prevailed over the course of 2008.

The reality of protectionism as a direct global reaction to a prolonged economic slowdown may become an unwanted reality in Africa, which would indirectly lead developed country markets to enact pressure on donor country budgets to decrease their foreign assistance allocations. This appears remote at present, and African nations have made their voices heard in virtually every multilateral forum in articulating these concerns. South Africa, the sole

African country representing Africa on the G-20 group of nations that has emerged to deal with the global economic crisis, has shown that it is sensitive to the concerns of African governments. But beyond repeating its long-standing calls for a larger voice on the executive boards of the IMF and World Bank, South Africa was unsure where its fundamental interests lie. The G-20 summit in London has committed to new goals to address numerous issues that reflect a seriousness about greater support to developing and poor countries, including greater representation, in particular that emerging and developing economies, including the poorest, should have greater voice and representation (See G-20 London Summit box).

G-20 London Summit

DECLARATION ON DELIVERING RESOURCES THROUGH THE INTERNATIONAL FINANCIAL INSTITUTIONS

We, the leaders of the Group of Twenty, are committed to ensuring that capital continues to flow to emerging market and developing countries to protect their economies and support world growth. To this end, we have agreed to increase very substantially the resources available through the international financial institutions and to ensure that the institutions have the facilities needed to address the crisis in a coordinated and comprehensive manner.

We have agreed to make available an additional $850 billion of resources through the IMF and the multilateral development banks to **support growth in emerging market and developing countries** by helping to finance counter-cyclical spending, bank recapitalisation, infrastructure, trade finance, balance of payments support, debt rollover, and social support.

- As an immediate measure, bilateral financing from members of $250 billion;
- In the near term, incorporate the immediate financing from members into an expanded and more flexible New Arrangements to Borrow, which will include other G20 countries, and be increased by up to $500 billion. We aim to make substantial progress by the Spring meetings;
- Consideration of market borrowing by the IMF to be used if necessary in conjunction with other sources of financing, to raise resources to the level needed to meet demands; and,
- **The doubling of the IMF's concessional lending capacity for low income countries and a doubling of access limits, within the Debt Sustainability Framework (DSF).**

G-20 London Summit (cont.)

We have committed, consistent with the new income model, that additional resources from agreed sales of IMF gold will be used, together with surplus income, to provide $6 billion **additional concessional and flexible finance for the poorest countries over the next two to three years**. We call on the IMF to come forward with concrete proposals at the Spring Meetings.

In addition to the above steps, we have also agreed to support a general allocation of SDRs equivalent to $250 billion to increase global liquidity, **$100 billion of which will go directly to emerging market and developing countries.** We agreed to ratify urgently the fourth amendment to the IMF's articles.

For the Multilateral Development Banks (MDBs), we have agreed to support:

- A substantial increase in lending of $100 billion including to low income countries, to a total of around $300 billion over the next three years;
- Full and exceptional use of MDB balance sheets, to create further capacity for lending to meet crisis needs;
- A 200 per cent general capital increase at the Asian Development Bank and reviews of the need for capital increases at the Inter-American Development Bank, **the African Development Bank** and the European Bank for Reconstruction and Development;
- Actions by the MDBs to leverage private capital more effectively, including through the use of guarantees, bond insurance and bridging finance; and
- The new IFC Global Trade Liquidity Pool which should provide up to $50 billion of trade liquidity support over the next three years, with significant co-financing from the private sector (as part of the global effort to ensure the availability of at least $250 billion of trade finance over the next two years). In order to reach this objective, we agreed to provide $3-4 billion in voluntary bilateral contributions to the IFC Pool. We also welcomed the steps taken by other MDBs to increase support for trade finance, and medium and long-term project finance through our export credit and investment agencies.

We have also agreed to ensure that the **international financial institutions** have the facilities they need to address the current crisis and meet the needs of **emerging markets and developing countries.** To this end:

- we welcome the IMF's new Flexible Credit Line (FCL), for eligible countries, as part of its reformed and more flexible lending and conditionality framework. This will help to address stigma concerns while safeguarding IMF resources. We look forward to rapid take-up of the FCL and support Mexico's decision to seek an FCL arrangement;
- the IMF should take steps to ensure that its surveillance and lending facilities address effectively the underlying causes of countries' balance of payments financing needs, particularly the withdrawal of external capital flows to the banking and corporate sectors;
- we will support, through voluntary bilateral contributions, the World Bank Vulnerability Framework, including the Infrastructure Crisis Facility and the Rapid Social Response Fund;
- individual country limits on World Bank lending should be increased, as appropriate, to enable large countries to access required levels of finance and so support stability and recovery in their regions;
- low income IDA countries with sustainable debt positions and sound policies should be given temporary access to non-concessional IBRD lending to compensate for the loss of access to capital markets, and IDA resources should be frontloaded, using the existing flexibility in the DSF.

We agreed that these resources and facilities should enhance the capacity of the international financial institutions to address the crisis. Cooperation and coordination between the IFIs should be strengthened to increase their effectiveness. **Emerging and developing economies, including the poorest, should have greater voice and representation.**

Source: *The official communiqué issued at the close of the G20 London Summit 2 April 2009*.

A genuine economic challenge

As John Maynard Keynes prepared for the 1944 conference at Bretton Woods, destined to establish the international financial system after World war II, he had one overriding goal – to relieve Great Britain of having the Pound Sterling to serve the world as its primary reserve world currency, by getting the US Dollar to assume that role in a reformed international currency system. In this effort, Keynes succeeded. The system built around the then newly formed International Monetary Fund (IMF) has since then maintained the Dollar as the main currency for international transactions for more than sixty years. This system has lost traction, and is starting to fray. The problems of Britain that Keynes identified prior to Bretton Woods have returned with a vengeance, both the US and the rest of the world economy, and just as the failures of the Sterling system played in Keynes' thinking, a significant role in the depression of the 1930s, similar shortcomings of the current system threaten to undermine global economic performance today. This is in fact an area today where economic forces today pose a major challenge – the link between reserve currencies and global financial stability.

Historically, trade between countries with different currencies took place at fixed exchange rates. For more than a century, five US dollars bought one Pound Sterling, firmly maintained by the gold standard. The US backed its currency with gold at around thirty five dollars per troy ounce. Likewise, the British did the same for the Pound – at seven pounds per ounce. The prices were built into the gold coins each country minted and then promises to redeem paper currency for gold on demand. This kept the dollar and the pound in a stable relation to each other. Any serious deviation would be brought back into line by arbitrageurs buying the cheaper currency exchanging it for gold and transporting the gold to the other country and converting it into the more expensive currency. Variation from fixed gold based transaction could not exceed the cost of doing the actual transaction. So fixing the currencies in terms of gold fixed the cross-rates at which these national currencies could trade.

The problem with the gold standard was that the global supply of gold failed to keep pace with the growth of global economic activity, thereby restricting the amount of currency a country could issue. This naturally restricted trade, since the available currency was not available to countries needing to trade freely. The only alternative was for prices at which the transactions took place to decline to offset the growing volume of transactions. Additionally, steadily declining prices created economic problems with deflation – generally needing to pay workers and suppliers in advance because of this uncertainty. The strict gold standard was a period of ever falling prices and economic crises. In response, countries adopted alternative principles in issuing currencies. The US, for example continued to maintain gold's convertibility in principle, but it began to issue currency which far exceeded the available supply of gold. Other countries abandoned convertibility entirely, but continued to maintain existing exchange rate parities. Others, in particular Germany in the aftermath of World War I issued currency without constraint and suffered from massive inflation.

This is more or less where we find ourselves today. The US Federal Reserve is dropping trillions of fresh paper dollars on the world economy. As an aghast world – from Beijing to Bangkok – watches, the US political system seems to be declining into near chaos. Through it all, stock and financial markets are paralyzed. The more the policy regime does, the worse the outlook gets. The multi-ringed spectacle raises a disturbing question in many minds: Is this the end of America?

Probably not, if only because there are good reasons for optimism. The US economy has pulled out of self-destructive political spirals in the past. Spurred on by its business class and corporate leaders, the profit-making and market-creating people who rose above the political turmoil to once again lift the world out of financial crisis. It's happened many times before, except for once, when it took 20 years to rise out of the Great Depression.

Past success, however, is no guarantee of future recovery, especially now when there are daily disasters and new indicators of political breakdown. All developments are not disasters in themselves. The AIG bonus firestorm is a diversion from real issues, but it puts the ghastly political classes who make US law on display for what they are: ageing self-serving demagogues who have spent decades warping the US political system for their own ends. We see the system up close; law-making that is riddled with slapdash, incompetence and gamesmanship.

But America is at risk in other ways, especially in the technical business of setting and executing policy. The presidency of Barack Obama has set out on a course that has no precedent in US history. Franklin D. Roosevelt, whose New Deal transformed the US economy during the Great Depression, pushed America off on a sharply different political and ideological course. The Obama administration is different in many ways, not least in its supreme self-confidence in its methods and objectives.

The total monetary base, already at astronomical levels, is now expected to take another big hit with the new Fed policy of buying up US longer-term treasury bills in a bid to drive down long-term interest rates.

For the rest of the world, however, the worry is that America is at risk of becoming the fountainhead of a new inflationary outburst. The US dollar is now in decline, gold is moving sharply higher, and new global currency turmoil is on the horizon.

The Fed will have to be prepared to absorb all the excess money it has poured into the US economy. It will be a technical and political challenge unlike any central bank has ever undertaken. The future of America is at stake. This US Dollar risk will have repercussions on all sectors of finance and trade. It is of interest that it took three years to establish the IMF before it struck the first deal with France in 1947 – and the fundamentals faced back then were far less complex than those faced today. Africa will be adversely affected.

Trade

> The wise man in the storm prays to God, not for safety from danger, but for deliverance from fear.
>
> Ralph Waldo Emerson

Africa stands at the crossroads. We trust that in applying broad brushstrokes as we view Africa in the twenty-first century that the extreme tapestry of Africa's personality which is rooted in a powerful truth, will be evident – Africa's most valuable resource is not its oil; it's not its diamonds; it's not its gold – it is the talent and the creativity of its people. The true wealth is the countless entrepreneurs and business leaders who are already demonstrating the wealth of the continent by building successful enterprises. The first requirement is a brave heart to look beyond the headlines and stand back to view Africa from a distance and analyse the economic lifeblood of this vast continent. How does Africa's personality reflect from the ancient of Egypt, south across the Sahel, viewing the oil riches in the west – looking east across the tropics to where the Indian Ocean shimmers the coast – and down to Cape Point where the warmth of this great ocean clearly maps a line to the horizon as its warm Agulhas current hits the cold Atlantic Benguela current visibly drawing a line to the horizon. As the mind grasps the grandeur, consider how globalisation interconnects with Africa. Most recent studies on globalisation describe the experiences of developed countries, and studies focusing on developing countries usually ignore Africa. Yet Africa's experiences with globalisation are unique. While the World Bank and the International Monetary Fund (IMF) encourage African countries to open their markets, Africa is in some ways excessively open. The ratio of extra-regional trade to GDP in Africa is twice that of Latin America and nearly four times that of Europe. Furthermore, globalisation is not a new phenomenon in Africa – Africa began to be integrated into the global economic system in the sixteenth century, and this integration has proceeded, albeit unevenly, since that time. Nevertheless, Africa is also a marginal player in global trade in that it is responsible for less than two percent of world exports and imports and attracts a declining share of global foreign direct investment (FDI).

Notwithstanding the view of Africa's role in globalisation, sophisticated market processes are developing at a rapid pace.

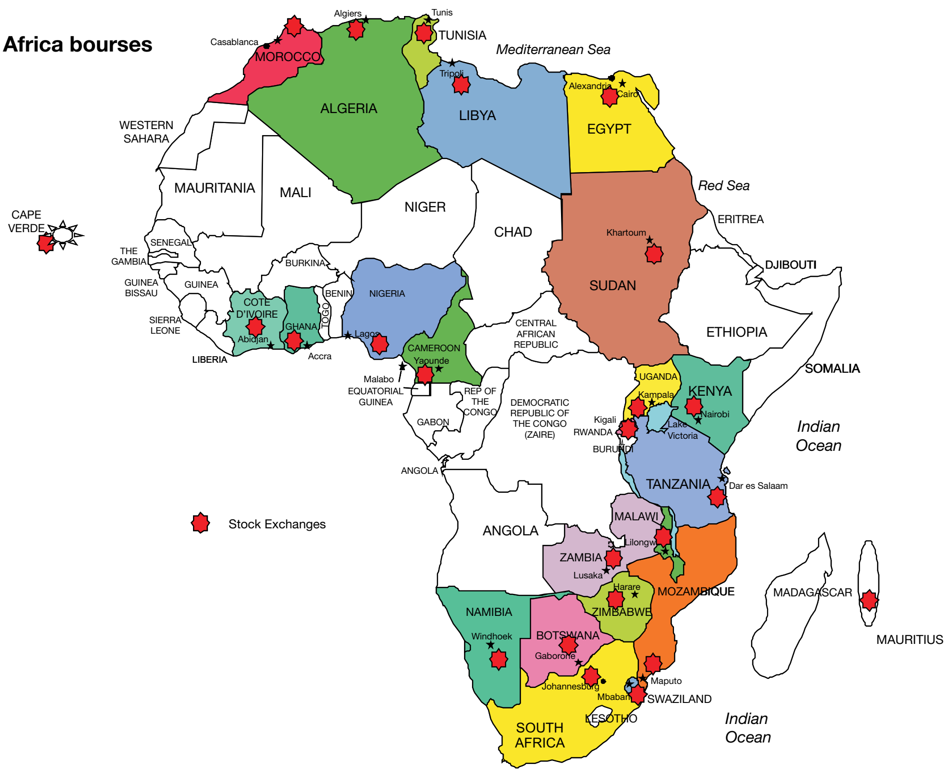
Africa's Wall Street

Notwithstanding small beginnings, Africa's new horizon reflects a definitive role for stock exchanges as the continent embraces a culture of investment.

In 18th century New York, from loose associations of traders meeting on sidewalks and coffee houses, to the modern billion-dollar, computer-driven colossus of today, the New York stock exchange on Wall Street will be etched on the minds of every serious investor. As the place where "financial weapons of mass destruction are created – and the only place that people ride to work in a Rolls Royce to get advice from those who take the subway[2]…" the stock market crash in late 2008 has changed how any bourse will be viewed in future. At present, 48% of the 54 African countries operate stock exchanges.

2 Warren Buffet© 2008 *The Tao of Warren Buffet*

Africa bourses



Rapid expansion of stock exchanges on the continent contributed to economic development in various ways. These are, among others, facilitating the privatisation process, diversifying financial services, facilitating long-term capital mobilisation, providing alternative investment opportunities, attracting foreign capital inflows and serving as a signal of overall macroeconomic performance. The three biggest stock exchanges account for more than 85% of the market capitalisation in the continent. The market capitalisation is 98% of GDP in Egypt in 2008 while it is slightly less than 50% of GDP in South Africa. However, in the rest of the countries, market capitalisation as the percent of GDP is very low.

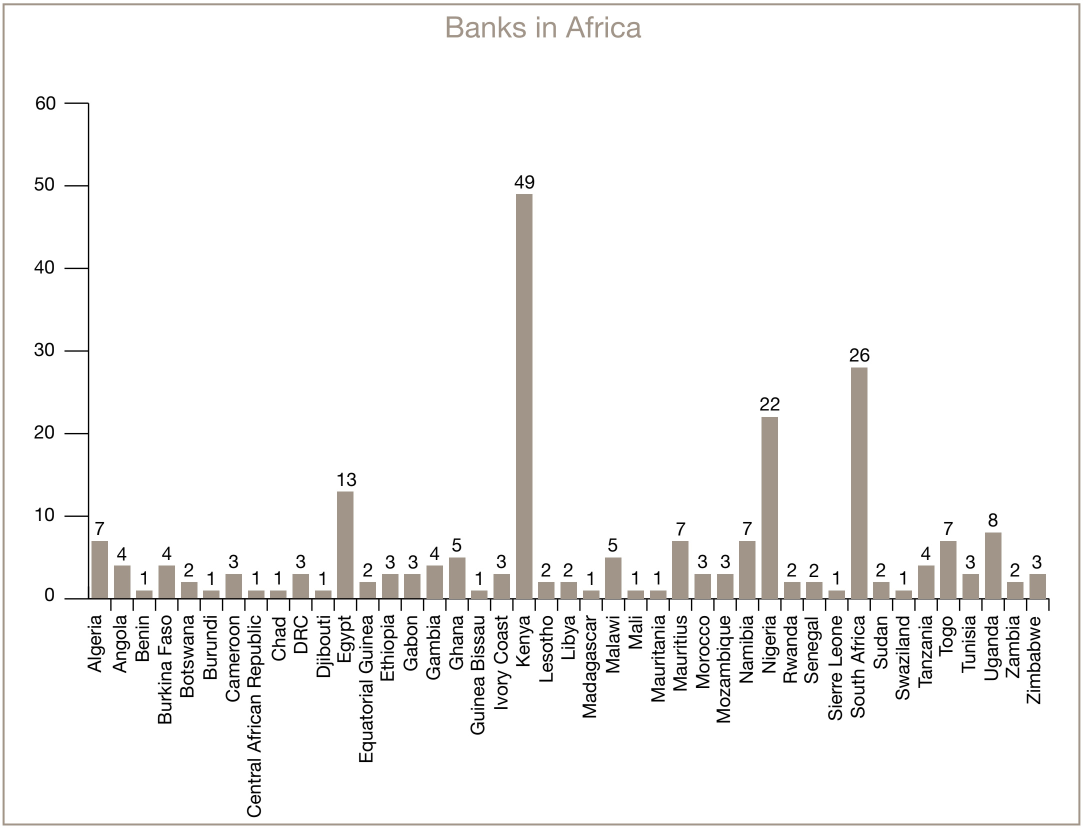
African financial markets also benefit from regional integrations. There are six Regional Economic Communities (RECs) in Africa at present. These are:

- Southern Africa Development Cooperation (SADC);
- East African Communities (EAC);
- Economic Community of West African States (ECOWAS);
- Common Market of Eastern and Southern Africa (COMESA);
- Arab-Maghreb Union (AMU); and
- Central African Economic and Monetary Union (CEMAC).

These Regional Economic Communities provide ample opportunity for integration and development on the continent, including the integration of stock exchanges. East African communities' (Kenya, Uganda and Tanzania) exchanges are talking of merging into a more robust stock exchange. The region would no doubt benefit and may draw companies from Burundi, Ethiopia and Rwanda into this financial hub. Amongst other constraints, currency convertibility appears to be a major challenge at this time.

Banking

Banking in Africa has long been problematic. Because local banks are often unstable, governments and industry rely on international banks. South Africa and Egypt have thriving banking sectors. In the years after independence, African governments heavily regulated the banking sector and placed strict limits on international competition. In recent decades, banking reform has been a priority of the IMF and World Bank. One important reform was obtaining permission for increased penetration by foreign banks. South Africa and Egypt have been the most successful in attracting local operation of foreign banks. In 2007, Egypt surpassed South Africa as the biggest recipient of FDI recording $11.1 bn. This trend continued in 2008, where Egypt attracted $13.2bn in FDI. Recently, Nigeria's consolidation of banking reduced the number of banks from more than 120 to less than 25. Mergers and acquisitions are continuing this consolidation. Kenya has more banks than any other country, and it would not be surprising that their banking sector follows the same path of consolidation as experienced by Nigeria.



There are 228 registered banking institutions in Africa, excluding micro-loan or micro-funding formal or informal. Many of these banks operate across borders and country locations. These banks are primarily geared to service the business community, and transact commercial and investment banking within the larger economic sphere.

Encouraging foreign investment in Africa has been difficult. Even Africans are reluctant to invest locally; about forty percent of sub-Saharan African savings are invested in other markets. The IMF and World Bank only lend money after imposing stringent and controversial conditions such as austerity policies. It appears that the banking sectors in Africa are unlikely to experience the turbulence of the US, European and Asian banking systems following the economic downturn. African banks retain loans they originate on their balance sheets, the interbank market is small, and the market for securitized or derivative instruments is either small or nonexistent. Even though some African countries' banking systems have significant foreign ownership, the parent banks are typically not in the US which has been hardest hit in the 2008 meltdown. Furthermore, the foreign ownership share in the largest economies, Nigeria and South Africa, is less than five percent (compared with a developing-country average of 40 percent).

Serious curtailment in foreign capital inflows could seriously affect growth and poverty reduction in Africa. Africa has seen a substantial surge in foreign capital inflows in the past five years—foreign direct investment, portfolio investment, and loans. A slowdown or reversal of these flows could dampen securities prices in some countries; the stock markets in Nigeria, Kenya and South Africa have been seriously affected. Most African countries use foreign inflows to finance much-needed infrastructure investment, which may have to be postponed. If the cutback spreads to official development assistance (such as the $40 billion over the next five years that has been promised by the US for HIV/AIDS), the lives of hundreds of millions of Africans, including the two million on AIDS treatment, may be threatened.

Should the financial market turmoil lead to a deepening recession in the US and elsewhere, commodity prices will likely fall even further. Food, oil and mineral prices have already been impacted negatively. This is good news for importers of these commodities. Even for oil exporters, many of whom have been using a reference price of about $70-80 a barrel in their budgets (and saving the rest); a drop in the price of oil will not be as damaging as it was in past episodes.

Sovereign and other wealth funds

Sovereign wealth funds (SWFs) are not a new phenomenon; they have acquired certain notoriety in public debates in recent years, associated to the growing role they have come to play in global financial markets. The growth of these funds are part of larger processes to accumulate foreign exchange assets by developing countries, which also includes the large accumulation of foreign exchange reserves during the boom that these countries have experienced in recent decades, reflecting both booming exports (due in part to high commodity, (particularly oil and mineral) prices and pro-cyclical capital flows. A remarkable feature of the international financial system in the last decade has been the worldwide rapid accumulation of foreign exchange reserves by developing countries. Based on IMF data, between December 2001 and October 2007 (the latest figure available), global reserves tripled, from US$2.1 trillion to US$6.2 trillion. The bulk of the increase has concentrated in the developing world: developing countries as a whole accounted for more than 80 percent of global reserve accumulation during this period, and their current reserves approach US$5 trillion. The following table lists the largest funds, globally.

Estimated size of largest sovereign wealth funds	Fund name	Assets (US$bn)	Inception year	Source of funds
Algeria	Revenue Regulation Fund	42.6	2000	Oil
Australia	Future Fund	54	2006	Non-commodity
Bahrain	Unknown	6	1980	Oil
Brunei	Brunei General Reserve Fund	30	1983	Oil
Canada	Alberta Heritage Fund	16	1976	Oil
Chile	Economic and Social Stabilization Fund	9.8	2006	Copper
Chile	Pension Reserve Fund	1.4	2006	Copper
China	China Investment Corp.	200	2007	Non-commodity
Iran	Oil Stabilization Fund	13	1999	Oil
Kazakhstan	Kazakhstan National Fund	18	2000	Oil
Kuwait	Kuwait Investment Authority	250	1953	Oil
Libya	Oil Reserve Fund	50	2005	Oil
Malaysia	Khazanah Nasional	18	1993	Non-commodity
New Zealand	Superannuation Fund	11	2001	Non-commodity
Norway	Government Pension Fund	380	1996	Oil
Oman	State General RF	6	n.a.	Oil
Qatar	Qatar Investment Authority	50	2005	Oil

Estimated size of largest sovereign wealth funds	Fund name	Assets (US$bn)	Inception year	Source of funds
Russia	Stabilization Fund	127	2004	Oil
Saudi Arabia	Saudi Arabian funds (Various)	300	n.a.	Oil
Singapore	Governemnt Investment Corp.	330	1981	Non-commodity
Singapore	Temasek Holdings	159.2	1974	Non-commodity
South Korea	Korea Investment Corp.	20	2005	Non-commodity
Taiwan	National Stabilisation Fund	15.2	n.a.	Non-commodity
UAE	Abu Dhabi Investment Authority	875	1976	Oil
UAE	Istithmar	8	2003	Oil
UAE	Dubai International Capital	6	2004	Oil
US (Alaska)	Permanent Fund Corp.	38	1976	Oil
Venezuela	National Development Fund	15	2005	Oil
	Total	3049		

There are only two major Sovereign Wealth Funds domiciled in Africa, namely Algeria and Libya, both of which are OPEC oil producing countries, and relatively new.

Assets under management of sovereign wealth funds (SWFs) increased 18 percent in 2008 to reach $3.9 trillion, according to IFSL's report Sovereign Wealth Funds 2009. The losses SWFs incurred on some investments during in 2008 were more than offset by inflows of new funds. There was an additional $5.5 trillion held in other sovereign investment vehicles, such as pension reserve funds, development funds and state-owned corporations' funds and also $6.1 trillion in other official foreign exchange reserves. Financial services industry group International Financial Services London reports that the pace of growth of SWFs' assets may slow down due to falls in commodity prices and the global economic downturn, resulting in slower accumulation of foreign exchange reserves. By 2015, the IFSL expects assets of SWFs to double to $8 trillion. SWFs, mostly from Asia, have made substantial losses on $60bn invested in US, Swiss and UK banks. Since the economic downturn, SWFs have placed more emphasis on injecting liquidity to revive their local economies.

Countries with SWFs funded by commodities exports, primarily oil and gas exports, totalled $2.5 trillion at the end of 2008. Non-commodity SWFs totalled $1.4 trillion and are projected to increase their 35 percent share of assets in 2008 to 55 percent by 2015. Non-commodity SWFs are funded by transfer of assets from official foreign exchange reserves, and in some cases from government budget surpluses, pension reserves and privatisation revenue.

Foreign direct investment

Global foreign direct investment (FDI) flows have risen steadily over the past 30 years, with some declines in the early 1980s, 1990s and 2000s. In 2006, global FDI inflows rose for the third consecutive year to reach $1.306 trillion, close to the record level of $1.411 trillion reached in 2000. The growth of FDI occurred in all regions and was partly driven by increasing corporate profits worldwide and resulting higher stock prices that raised the value of cross-border mergers and acquisitions (M&As).

While FDI inflows in developed countries rose by 45 percent, well over the rate of the previous two years, to reach $857 billion, flows to developing countries and transition economies of South-East Europe and the Commonwealth of Independent States (CIS) attained record levels of $379 billion and $69 billion, respectively. The United States regained its position as the largest single host country, followed by the United Kingdom and France. Among developing economies, apart from traditional largest recipient as Hong Kong (China) and Singapore, Turkey ranked fourth after large FDI increase in 2006, while in the transition economies, inflows doubled to $29 billion in the Russian Federation. The European Union (EU) as a whole remained the largest host region with $531 billion accounting for 41 percent of total FDI inflows in 2006, followed by North America with $244 billion or an 88 percent increase from 2005. South, East and South-East Asia with $200 billion became the third largest recipient region, accounting for 15 percent of total FDI inflows. Developed countries still remained the leading source of FDI, accounting for 84 percent of global outflows. Global FDI outflows registered a significant upsurge in 2006, reaching $1.216 trillion. While there was a rebound of outward FDI from the United States with $217 billion, almost half of the world outflows came from 25 EU countries, with France, Spain and the United Kingdom in that order accounting for the bulk of that share. The outward FDI from developing and transition economies increased significantly, led by Hong Kong (China) and the Russian Federation.

In past decades, world inward foreign direct investment (FDI) stock has grown more than 10-fold from a trifle $1.2 trillion to $12 trillion in 2006. Despite the economic downturn in the early 2000s FDI continues to be important in the integration of global production activities. Developed countries hosted about three fourths of world inward FDI stock, although the share of developing countries has increased. However, the least developing countries (LDCs) still remain marginal. Outward FDI stock originating from developing countries accounted for 13 percent of the global total in

2006. South, East and South-East Asia constitute the most important developing-country home region, whose stock almost doubled from 2000 to 2006 to nearly half of the United States. Africa and Latin American and Caribbean regions also registered a significant increase between 2000 and 2006 (36 percent and 90 percent, respectively). South-East Europe and the CIS outperformed all regions during this period with an eight-fold increase.

The European Union maintains its position as the largest source of outward FDI stock, reaching $6.4 trillion in 2006, 2.7 times that for the United States.

Official development assistance

Official development assistance (ODA) is an essential component of financing for development. In the second half of the 1980s, ODA increased rapidly and peaked at $59 billion in 1991. This trend reversed in the 1990s, with aid flows declining during the decade and reaching a trough of $45 billion in 2000. From 2000, nominal ODA started increasing rapidly, surpassing $100 billion in 2005. However, these are nominal trends that mask large increases in ODA associated with exceptional debt relief initiatives. In real terms things look different. ODA delivered by the 23 member countries of the Development Assistance Committee (DAC) stands at about 0.25 percent of donors' GNI[3]. This is similar to the level prevailing in 1990 and well below the 0.7 percent target. Additionally, most of the recent increase in ODA is linked to debt relief, including exceptional levels of debt relief to Iraq and Nigeria. Real total net ODA from DAC members declined by five percent in 2006. Moreover, real ODA less debt forgiveness is well below its pre-Heavily Indebted Poor Countries (HIPC) Initiative levels. ODA less debt forgiveness went from 0.2 percent of donor countries' GNI in 1990 to an estimated 0.17 percent of donor countries' GNI in 2005. This suggests that debt relief under the HIPC Initiative has not been additional. Debt relief, which amounted to about $2 billion in 2000, reached almost $25 billion in 2005, with most debt relief going to sub-Saharan Africa and Western Asia (especially Nigeria and Iraq). However, 2005 was an exceptional year. In 2004, total debt relief amounted to $7 billion and in 2006 it amounted to $19 billion, but this figure still included some exceptional debt relief for Nigeria and Iraq. In 2000, more than 60 percent of total debt relief went to LDCs, whereas in 2005, the LDCs received less than 10 percent of total debt relief. In examining the regional distribution of ODA, Asia receives the largest amount of ODA, followed by Africa. Latin America and the Caribbean are a distant third, with ODA levels below 15 percent of ODA received by Asian countries. Within Asia, 60 percent of ODA goes to Western Asia. Within Africa, almost 90 percent of ODA goes to sub-Saharan African countries.
In addition to these regional trends, the share of ODA donors directed to LDCs has been decreasing steadily, going from 27 percent of DAC ODA

[3] These data only include direct ODA to developing countries and not ODA delivered to multilaterals. Including multilaterals would push the ODA to donors' GNI ratio to 0.33 percent, but would not alter the basic trends discussed here.

(30 percent of total ODA) in 1990 to 20 percent of DAC ODA (25 percent of total ODA) in 2005.

External debt trends

When measured in nominal United States dollars, total external debt of developing and transition economies grew considerably over the 1990s. It went from approximately $1.1 trillion to approximately $1.9 trillion, corresponding to an average annual increase of 5 percent. In the first decade of the twenty-first century, external debt of developing and transition countries grew at a much slower pace, reaching $2.08 trillion in 2005 (corresponding to an average yearly increase of approximately 1.8 percent). This recent trend was made possible by debt relief and favourable external conditions. High commodity prices, high liquidity, low risk aversion, and low spreads allowed several middle income countries to buy back their external debt, and to refinance their external obligations and substitute external debt with domestic debt. This highlights the improved debt management capacity of a number of developing countries, and the important interplay between the external and domestic components of viable public debt strategies. Debt relief initiatives contributed to a decrease of external debt in sub-Saharan Africa. Debt relief initiatives together with debt buybacks and increasing reliance on domestic financing contributed to decreasing external debt levels in South America and Eastern and South-Eastern Asia. The economies in transition of both Europe and Asia observed a net increase in external debt, which went from $254 to $438 million (a 70 percent increase) over the 2000–2005 period.

The share of short-term external debt remained more or less constant, hovering around 20 percent of total external debt. The only country that observed a net increase in short-term external debt was China. However, this increase is not likely to be the source of any vulnerability because Chinese external debt remains low and the increase in short-term debt has been matched by a much larger increase in international reserves.

These broad trends in total external debt mask diverging patterns between borrowing from official lenders (bilateral and multilateral creditors) and private creditors. Although borrowing from official lenders has been flat since the mid 1990s and has been decreasing over the last few years (over 2005–2006, repayments of bilateral debt to Paris Club countries and of multilateral debt to the international financial institutions exceeded new lending by approximately $145 billion), private lending increased at a fast pace until the year 2000 and kept growing, albeit a slower rate, since then. The transition economies almost tripled their borrowing from private creditors over 2000–2005. Bonded debt, which was negligible before the 1990s, now accounts for over a quarter of developing countries’ debt stock. This poses several challenges to debt policy planning as external factors play a role in determining the spreads on emerging markets’ external debt and this leads to sources of volatility which are beyond the direct control of domestic financial authorities. It would be misleading, however, to focus on bonded debt without examining the evolution of the stock of bank debt, which remains an important source of financing for several developing countries. The majority of developing countries (60 percent) never accessed the international bond market between 1980 and 2006, and only around 20 emerging market countries regularly issue bonds in international capital markets. In this connection, South–South syndicated bank loans are increasingly important. Although this form of finance only accounts for approximately 5 percent of bank lending to developing countries, it is growing rapidly and it is has become an important source of finance in sub-Saharan Africa, where South–South lending represents 20 percent of total syndicated bank loans.

External debt indicators

The beginning of the millennium brought continued improvement of developing countries' debt indicators. The debt overhang continued decreasing, both measured as a percentage of debt to exports of goods and services, and debt as a percentage of gross national income. The debt-servicing burden of developing countries as a group decreased substantially in the period 2000–2005, in particular for Latin America, as exports grew by 25 percent during the period. Argentina restructured its debt[4] and Brazil, Mexico and Peru prepaid debts to their official creditors. Moreover, Latin American countries that have access to the international capital market benefited from a lower debt servicing burden associated with historically low interest rates and spreads during 2002–2004. In the first five years of the new millennium, total debt as a share of GNI decreased by 10 percent for developing countries as a group, the most noticeable improvements taking place in Africa and in the economies in transition.

The decrease for Africa was driven by the decrease in the stock of debt as a result of the implementation of the HIPC Initiative and the Multilateral Debt Relief Initiative (MDRI), coupled with strong GNI growth in a number of African countries. The driving factor for the decrease of the share of debt to GNI in the economies in transition was the large buyback operation of the Russian Federation with its official bilateral creditors coupled with exceptionally high GNI growth. Another significant Paris Club debt buyback was engineered by Poland, although the net effect of that operation was smaller compared to the Russian prepayment, as Poland issued bonds at low interest rates to eliminate its high-interest debt with official creditors. Another welcome development is the decrease of the debt service to exports ratio for Africa. Most HIPCs are located in Africa and the HIPCs' debt servicing indicators are expected to further improve in the coming years, as the full impact of MDRI, which will lead to 100 percent cancellation of debt owed by the poorest countries, takes full effect. The issue of the poorest countries being unable to meet Millennium Development Goals in spite of improvements in their debt indicators remains a matter of concern, pointing to the need to increase ODA flows to developing countries in order to spur their poverty alleviation efforts.

4 The effects of the landmark debt restructuring that Argentina achieved in 2005 will be reflected in the data for 2006.

Geography of merchandise trade

In 2006 the value of total merchandise exports from all countries of the world was $12,065 billion (in current United States dollars). 60% of these exports were from developed countries. In 1960, the share of world merchandise exports in the world's GDP was 10 percent. By 2006, it had climbed to 35 percent. The dynamic growth in developing countries in recent years has been stimulated by extraordinary export growth. Real exports of developing economies grew by a factor of 2.5 from 1995 and 2006. Asia clearly dominated the picture, with transition economies and Latin America coming in second, and Africa showing exactly the same increase as the G7. In terms of imports, the expansion in different regions was much closer. Asia was the strongest importer, with a 130 percent increase; while the transition economies had a 150 percent increase. Africa's outcome was quite balanced, with real exports increasing (80 percent) almost as much as imports (100 percent). Since 1995, world merchandise trade has been growing at an annual average rate of 7.5 percent, sustaining the strong growth rates that emerged in the early 1990s, though still not matching the averages of more than 10 percent witnessed through the 1960s and 1970s. Despite the impressive performance of developing countries as a whole in recent years, progress in LDCs and other low-income economies, has been slow and has continued to rely primarily on exports of low value added primary commodities. These countries have suffered from worsening terms of trade, highly volatile world prices and a decline in their share in world trade. The export share of the 50 LDCs, the majority of which are in sub-Saharan Africa and commodity-dependent, fell from 1.8 percent in 1960 to about 0.5 percent in 1995, and have since hovered around this level, though the improvement in commodity prices helped raise their share to 0.9 percent in 2006.

Trade among developed countries as a share in world trade slightly decreased, while trade within economies in transition substantially fell. The percentage of exports from developing countries directed to developed States decreased during the 1980s and has since diminished to around 50 percent in 2006. During the past almost four decades, the aggregate share of exports from developed States to developing parts of the world remained between 20 and 26 percent.

The share of exports from developed economies to economies in transition increased significantly during the last 10 years. The trend is a result of substantial growth in trade between these countries and the European Union. On the other hand, the share of developing countries' exports to economies in transition fell in general in the 1990s, but visibly revived since 2000, representing 1.7 percent in 2006. The past 15 years have seen a substantial increase in the number of regional and sub-regional trade agreements (RTAs) signed worldwide. While this trend has helped many areas to intensify their mutual trade and allowed various countries to profit from expanding exports, it has not systematically resulted in increased intra-trade within the trade groupings that have been created. The number of operational RTAs, whether South–South, North–North or North–South, is expected to grow to 400 by 2010. Currently, trade between RTA partners accounts for more than 45 percent of global merchandise trade. Given the growing number, membership and trade coverage of RTAs, their impact on the international trading system will be significant. Therefore, careful attention needs to be paid to the scope of such agreements and their development impact on developing countries, especially the tendency towards deeper liberalization, a WTO-plus agenda, and an inward-looking approach that hampers trade with third parties and undermines the multilateral trading system.

Relative success in Africa

According to World Bank Chairman Mr. Zoellick, Africa has been a relative development success, with two-thirds of its countries growing at a significant rate. “The problem, in part, was the missing third” – often countries racked by civil war or other devastating conflict. Statistics show that countries with war-torn neighbours also see their own economic growth suffer. “One thing that would be a real tragedy of the crisis would be if we lose faith in African development,” he said.

Still, he worries that African nations that have made the best strides may find themselves endangered precisely because they have successfully tied themselves to the global economy. Above all, he added, African states need help developing trade programs with each other and building laws and institutions to sustain their growth. “I would argue, in the case of Africa, that while you do want to provide targeted assistance – for example, in a social safety net – you don’t want to lose the opportunity to build the future basis of growth.” Some of that growth could be spurred by improving transportation across the continent, he said.

Unless countries fix their banking systems, stimulus efforts to countries in Africa will be of little benefit. Credit markets must be sustained even while banks remain in crisis. The World Bank believe that other central banks use their balance sheet to provide a secondary market buying commercial paper, mortgages and other assets, following the example set by the US Federal Reserve.

The collapse of a major currency is probably the greatest risk facing the world at this time, which would send shock waves around the globe. The International Monetary Fund requires huge support to make it possible for the IMF to intervene with alacrity in times of crises rather than a return to protectionism by countries, which is inevitable without readily available outside resources.

The World Bank and the IMF have major roles to play in identifying areas where countries could work together. According to Mr. Zoellick part of the challenge in the whole system is ... based on nation-states. That’s the political basis.

Those are where decisions are made. People still have to be responsible to the citizenry. But the issues are transnational. Economic connectivity is the real challenge. Boom bust scenarios do not respect boundaries.

Recent history boom and bust headlines:

Tulip mania of the 1630s, in Holland.

California Gold Rush of the late 1840s and early 1850s.

Roaring Twenties in the United States, followed by the Wall Street Crash of 1929 and the Great Depression.

Dot-com bubble, involving new electronic technology and the internet, in the late 1990s.

American subprime mortgage boom in the 1990s and early 2000s, followed by the Subprime mortgage crisis of 2006 and beyond.

Each was a boom, and each ended in a bust …

The realities of a global bust in all financial markets is a looming reality. We have come to think of reality as something that is independent of our thinking in the sense that reality is somewhere out there waiting to be understood, and understanding reality consists of creating a picture in our mind that corresponds to it.

This is unfortunately not the case, as we live in a closely connected world where news, good and bad, circumferences the globe before the people affected even know it is happening. This instant news has created a society where decisions are made in a nano second concerning billions of dollars and touching millions of lives. The actions taken by merchant bankers often appear irresponsible, but when global meltdown is the order of the day; irrational decision making may very well be birthed in a system that has gone so wrong that no endowment of grey matter has the ability to be rational. Africa is in anticipation – we trust that the end game will keep it on the agenda – the question is how high?

Microfinance

In Africa, the formal economy accounts for only a small share of the economically active population, engaging the poor and unemployed in productive activities and giving them the means to leverage their own sweat equity points to a major source of future job creation. Large banking models do not readily cater for the poor, where the question of security for a loan is a foreign concept far removed from reality. The importance of adapting to social and cultural conditions appears to be the only viable model as the genuine benchmark, Grameen has aptly demonstrated in various countries where the model was replicated. This model is however not a perfect fit under all conditions, and local conditions need to be taken into account to adapt the clone into a workable model, since microfinance is a product of its environment. Microfinance cannot eliminate poverty by itself, and the use thereof is far too limited to rid the world of hunger; but it is a way to yield substantial productivity gains in at minimal cost: with a small loan, a craftsperson can fund the purchase of raw material to practice what he already knows; or a seamstress will be given the capital to purchase a sewing machine to replace the thimble and needle – small steps to a better life. The ability to earn something, where before the possibility did not exist, is huge – words cannot frame a useful explanation. The interesting part is that when loans are made in a social circumstance, the risk is very small. Grameen has an infinitesimal amount of write-off – the cause is most usually the death of the debtor rather than default. It is inherent in the African rural culture to pay when you are able, as has been aptly demonstrated in the custom of "lay-buy" where a small affordable regular payment is made on a purchase, held by the seller, until the buyer has paid sufficient to take possession.

Africa has a plethora of microfinance institutions and private lending co-operations. Unfortunately, in many cases the power of the lender and the need of the borrower lead to unscrupulous practices as was the case in Bangladesh before the advent

Globally, most NGOs use self help groups as the nuclei of their microfinance programs to achieve a better use of funds by their clients and improve the social impact of their activities. Take the case of CARE – one of the world's leading international NGOs. In Thailand it manages credit programs for artisans, and works with groups of villagers who share the same handicraft skills and traditions. In Peru, in the slums of Lima, it has helped organise microfinance programs that build on pre-existing women's self-help groups known as the mother's clubs.

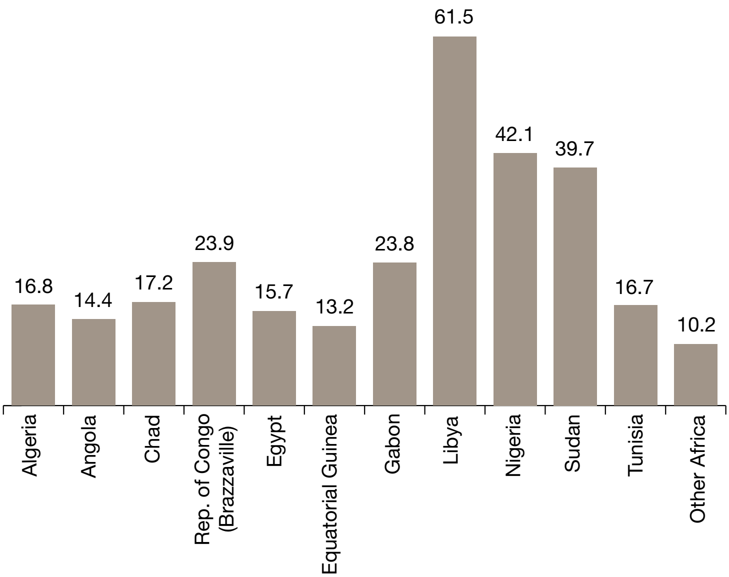
of Grameen Bank. The success in this country is demonstrably clear – Grameen has developed into a wide range of corporate facilities and trusts where the owners are the previous customers of Grameen now earning rich rewards from tiny beginnings where the size of the original loan to get the capital flowing was as low as one hundred rupees. What a prospect for Africa if this can be replicated with ease of governance. Microfinance is the seed that can sprout toward reducing poverty on a large and lasting scale.

Oil and gas

On 1 July 2008, oil was being sold at $147.01 a barrel, and while consumers cringed at the high prices, as the oil prices escalated over time, the oil-rich nations of the Middle East prospered. The result was an economic boom that spanned industries ranging from financial services and real estate to tourism. Stock prices soared. Sovereign wealth funds snapped up choice assets around the globe. In late 2008, the oil bubble burst, the financial crisis began to roll across the world and boom turned to bust.

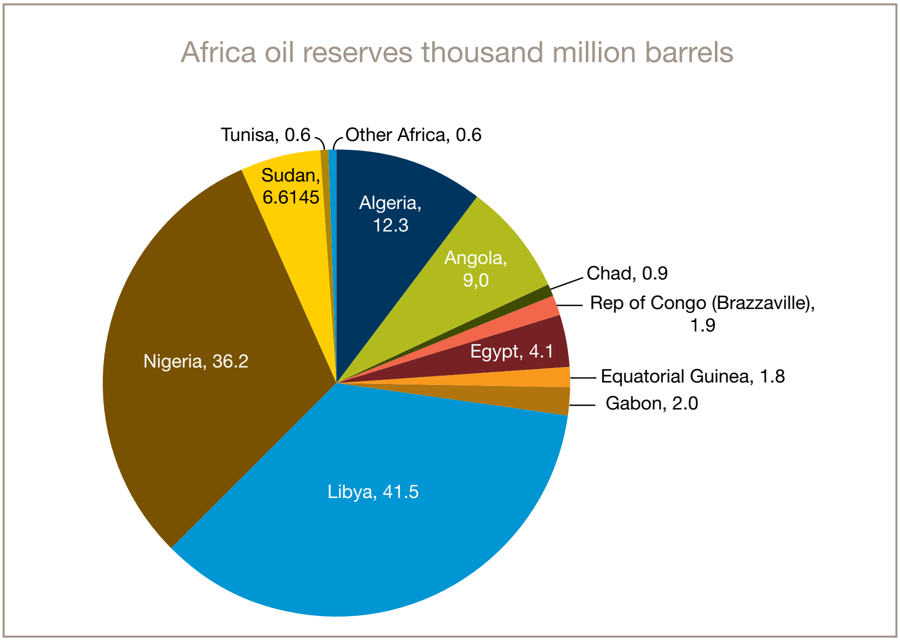
The United States now imports more of its oil from Africa than it does from Saudi Arabia.

Africa – Oil reserves in years at current production



The main consideration when reviewing the reserve margin is that the estimates are based on current production levels, and in some instances on information supplied by authorities in a closed society.

Depicting the same reserve statistics in barrels the picture looks like this:



Libyan oil

Oil exploration in Libya began in 1955, with the key national Petroleum Law No. 25 enacted in April of that year (a new petroleum law is currently under development). In 1956, the first concessions on oil extraction were granted to two American oil companies. Libya's first oil fields were discovered in 1959 (at Amal and Zelten – now known as Nasser), and oil exports began in 1961.

Libya, a member of the Organization of Petroleum Exporting Countries (OPEC), holds the largest proven oil reserves in Africa. According to the 2008 BP Statistical Energy Survey, Libya had proved oil reserves of 41.464 billion barrels at the end of 2007 or 3.34 % of the world's reserves.

Libya is Africa's major oil producer and one of Europe's biggest North African oil suppliers. Supplies from North Africa to Europe destinations have the advantage of being both timely and cost effective. Libya's economy is based on oil and exports contribute between 75% and 90% of State revenues.

Libya has very low production costs and the oilfields are close to the refineries and markets of Europe. In addition, despite almost half a century of exploration, Libya remains largely unexplored with vast oil and gas potential. The under-exploration of Libya reflects the impact of sanctions formerly imposed on the country.

Nigerian oil

Oil was discovered in Nigeria in 1956 at Oloibiri in the Niger Delta, after half a century of exploration. The discovery was made by Shell-BP, at the time the sole concessionaire. Nigeria joined the ranks of oil producers in 1958 when its first oil field came on stream producing 5,100 bpd. After 1960, exploration rights in onshore and offshore areas adjoining the Niger Delta were extended to other foreign companies. In 1965 the EA field was discovered by Shell in shallow water southeast of Warri.

Following the discovery of crude oil by Shell D'Arcy Petroleum, pioneer production began in 1958 from the company's oil field in Oloibiri in the Eastern Niger Delta. By the late sixties and early seventies, Nigeria had attained a production level of over two million barrels of crude oil a day. Although production figures dropped in the eighties due to economic slump, 2004 saw a total rejuvenation of oil production to a record level of 2.5 million barrels per day. Current development strategies are aimed at increasing production to four million barrels per day by the year 2010.

Petroleum production and export play a dominant role in Nigeria's economy and account for about 90% of her gross earnings. This dominant role has pushed agriculture, the traditional mainstay of the economy, from the early fifties and sixties, to the background.

Algerian oil

Algeria Oil & Gas Report forecasts that the country will account for 8.62% of African regional oil demand by 2012, while providing 18.79% of supply. African regional oil use of 2.98mn barrels per day (b/d) in 2001 rose to an estimated 3.51mn b/d in 2007. The average in 2008 was 3.60mn b/d and is destined to rise to around 4.00mn b/d by 2012. Looking back, regional oil production was 7.84mn b/d in 2001, and in 2007 averaged an estimated 10.07mn b/d. By 2012 this will rise to 12.77mn b/d. In terms of natural gas, the region in 2007 consumed an estimated 99bcm. The targeted demand for 2012 is 171bcm, representing 72.7% growth. Production in 2007 reached 201bcm in and should reach 331bcm in 2012 (+64.5%), which implies that exports will increase to103bcm in 2007 to 161bcm by the end of the period. Algeria's share of gas consumption in 2007 was 25.90%, while its share of production is put at 44.18%. By 2012, its share of gas consumption is forecast to be 19.97%, with the country accounting for 36.21% of supply.

Angolan oil

Angola is the most successful country in the Sub-Saharan Africa for conventional oil exploration. The growing experience of Sonangol, Angola's state oil company, and the need for increased revenues which began with Portugal's abrupt withdrawal from its overseas territories, contributed to Angola driving harder bargains with the multinational oil companies. Now it captures between 40 and 75 percent of revenues raised from its underwater petroleum resources.

The country, potentially one of the richest in Africa, has numerous resources – extremely good agricultural land, minerals, diamonds, fisheries, forests and, of course, oil.

With more than 40 percent of its oil exported to the US, its budgetary oil dependence, like Nigeria's, is legendary. Oil tax revenues comprised 70 to 90 percent of state revenues and over 60 percent of GDP. More than 97 percent of Angola's oil is drilled offshore, so there is little interaction between companies and local communities.

Angola has delivered several billion-barrel discoveries to international oil companies and the potential in the country's ultra-deep reservoirs is very promising. In 2008, Angola surpassed Nigeria to become sub-Saharan Africa's biggest oil producer. In June 2008, Nigerian production slipped to 1.88mn b/d compared with Angolan production of 1.9mn b/d, according to Bloomberg figures. The country intends to maintain output at around 2mn b/d over the next five years. Angola has the potential to produce 2.55mn b/d by 2012 and to maintain output above 2mn b/d through to 2018.

Energy and utilities

The flight path of an aircraft from Europe to South Africa probably traversed the African skies, and most likely at night. If you had the opportunity to look beyond the comfort of your shuttered view chances are that few lights if any would have been visible. Lights which may be visible are usually in the major urban centres – the energy created on the spot by most Africans does not glow in the dark. Africa is a dark continent, and nearly one billion Africans live here in the second most-populous continent in the world. This means that 15% of all people on earth only receive 2.75% of global electricity production (2007). It is therefore fitting that a closer look is cast on the energy and utility sector to accentuate this point.

About half of the world's population uses fuel derived from biomass as an energy source in the private household; for cooking, lighting and heating, and the majority of Africans are included in this count. The energy sources are fuel-wood as well as agricultural residues (for example maize cobs, bagasse or rice straw), charcoal (manufactured on the spot) or cow dung – after the methane has polluted as we all know ruminants do. This practice has consequences for the people and the environment, though to a lesser extent than fossil fuel because the material used is usually the residue re-grown from seed previously harvested.

The development of Africa's electrical power sector is a prerequisite for growth in other industries. Regular, consistent power supplies assist to attract FDI and entice international companies to establish operations in Africa. Recent history has shown that a combination of droughts, wars and aging equipment has contributed to an irregular and sparse electricity supply in many African countries, notably Nigeria and Kenya, where severe power shortages have resulted in serious consequences for these economies.

Africa's power sector is dominated by South Africa in Southern Africa, Egypt and Morocco in North Africa and Nigeria in West Africa. Africa's electricity consumption is expected to grow at a rate of 3.4 percent per year over the period between 1999 and 2020. Africa stands to benefit in the future from interconnection projects initiated and implemented by the New Partnership for Africa's Development (NEPAD), an initiative that sees investment in Africa's infrastructure as a high priority. All NEPAD power projects are aimed at boosting electrical power generation, distribution and transmission in Africa.

There are specific trends emerging in Africa in the following areas:

- Privatisation and restructuring of government-owned power companies.
- Power shortages and irregularities have forced many countries to look to neighbours to supplement their supply.
- Power shortages have also brought a number of new projects to the fore.
- Large multinational power companies are establishing a growing presence.

- Natural gas discoveries have made combined-cycle plants competitive economically.

Environmental considerations, not as prevalent as in Europe and North America, are becoming of increasing concern to the industry as governments bring environmental policies into line with the rest of the world.

Power supply in Africa reflects issues unique to Africa and the developing world. Power sharing has become more prevalent in the African electrical power context in recent years.

In line with developments in the regional economies, the formation of distinct alliances is emerging in distinct regions:

- Southern African Development Community (SADC)

- Economic Community of West African States (ECOWAS)

- Southern African Power Pool (SAPP)

Countries are sharing electricity production out of necessity, enabling countries like South Africa, who had surplus power historically, and may have this in the future are running their stations at maximum output without the risk of an oversupply of power. On the other hand, countries with limited or unreliable power generation capacity now have access to power, without the intensive capital investment required to construct new facilities. This is one of the major regional phenomena and unique in construct to Africa. Countries can purchase power in bulk enabling them to redistribute it locally at a cheap price. Another advantage that power sharing brings is flexibility – demand peaks and troughs can be better managed with the larger pool of power. South Africa, Ghana and Zambia are the biggest net exporters of power on the continent.

Every year, large interconnection projects throughout Africa have been advantageous for companies with expertise in transmission lines, power networks and cabling. Both multinationals seeking to establish themselves in Africa and ambitious local companies wanting to expand their operations into other parts of the continent have benefited from the growth in this area. Unpredictable power supply in many African countries is one of the main obstacles to economic growth. The reasons for this irregularity of supply are numerous and diverse:

- Wars across the continent have left generation facilities damaged and transmission lines cut;

- Governments' budgets have been stretched to the extent that maintenance of facilities has become a low priority;

- Many countries have unreliable and aging equipment and upgrading will be expensive[5].

The African climate is unpredictable, to say the least. Climatic patterns, usually seen as the scourge of the agricultural sector, have also had their effects on electricity supply. Consistent

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5 Nigeria is a prime example. This country has more operating power plants than any other African country (145), yet approximately one-third of its installed capacity is inoperative due to aging facilities.

droughts as in East Africa during the period 1999-2000 negatively affected the hydroelectric facilities in the region, resulting in severe power shortages, especially in Kenya. Ghana's hydroelectric facilities were also adversely affected by droughts during the late 1990's. In the Cameroon, for example 34 diesel stations have been constructed as back-up power during extended droughts.

Climate change and the very real and present danger of desertification will exacerbate electricity supply which depends on natural sources in the years ahead.

Demand for power in Africa is growing at a rate that is leaving most countries unable to keep up. Rural electrification initiatives, low electrification levels at present and high population growth rates all contribute to this high growth in demand. Theoretically, to meet demand new installations are required on a regular basis.

Countries have adopted a number of strategies. In some countries where the loss of power has been critical to the economy, including South Africa, stop-gap solutions such as private diesel generators have been introduced.

There are similar examples for most countries where emergency measures, some of which are unique to Africa have been introduced.

Hydroelectric power in Africa is being viewed with scepticism and government planning is moving away from hydro power dependency as the best long-term solution to reliability problems. Other countries are reviewing hydroelectric facilities, increasing dam storage capacities to allow for fluctuations in water supply, which in Africa would be a disastrous policy to follow for a number of clearly identified reasons.

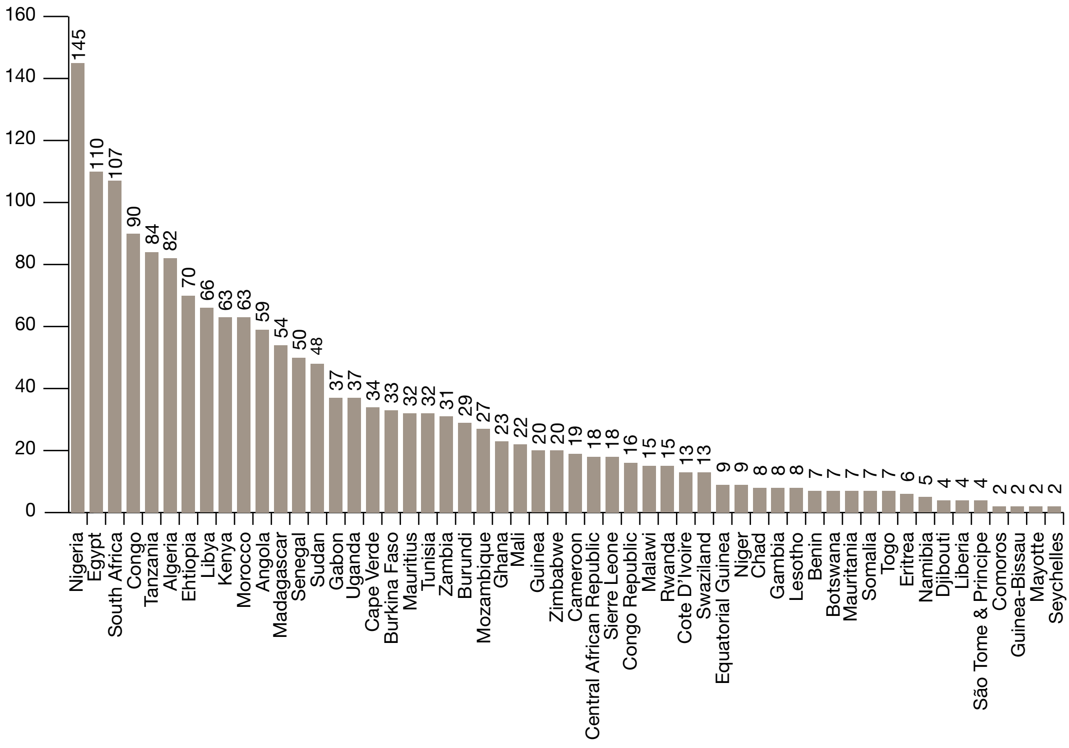
Africa's electrification levels are low, especially when compared with Europe and North America. Statistics are available to map this position for countries as diverse as South Africa, Ghana, Senegal, Burkina Faso and Côte d'Ivoire who have all recently announced rural electrification programmes. These initiatives will have huge impact on the living standards of the rural population in these countries.

Governments in Africa are beginning to view provision of electricity as part of their responsibility alongside basic services such as sanitation and clean water. The large number of electrification projects on the go makes Africa a continent of opportunity for companies in the business of distribution and transmission of electricity, suppliers of cable, experts in the field of solar and wind power and construction and engineering service providers. Globally, restructuring of national utilities has been a visible trend in recent years, with privatization of state organizations aimed at bringing greater efficiency to the industry.
In Africa, almost without exception governments have reviewed policy to allow private players into the industry.

In many instances, the World Bank is viewing this trend favourably. Typically, Independent Power Producers (IPP's) are introduced as generators of electricity who then may or may not sell power to the state. Also common are

Build-Own-Operate-Transfer (BOOT) and Build-Operate-Transfer (BOT) schemes and large multinationals such as Électricité de France (EdF), US-based AES Corporation and Germany's Siemens have established themselves in countries based on their experience in these kind of projects. There are specific cases where key players in the energy field have now been privatized, and this trend will continue. This study examined the full spectrum of electricity generated by power plants (electric power generating stations) in Africa. There are 1703 operational electricity generating power plants in Africa, the largest is the Kendal Power at Kendal in South Africa, and the smallest is the Daru MPC plant at Sonigiema in Sierra Leone.

Operational power plants in Africa by country



Growth in power generated since 2000 increased by nearly 29% to 517 GwH in 2007, which is barely 2.75% of global electricity generated in 2007. Currently, the prognosis is that this output will escalate by a further 81% to around 936 GwH[6].

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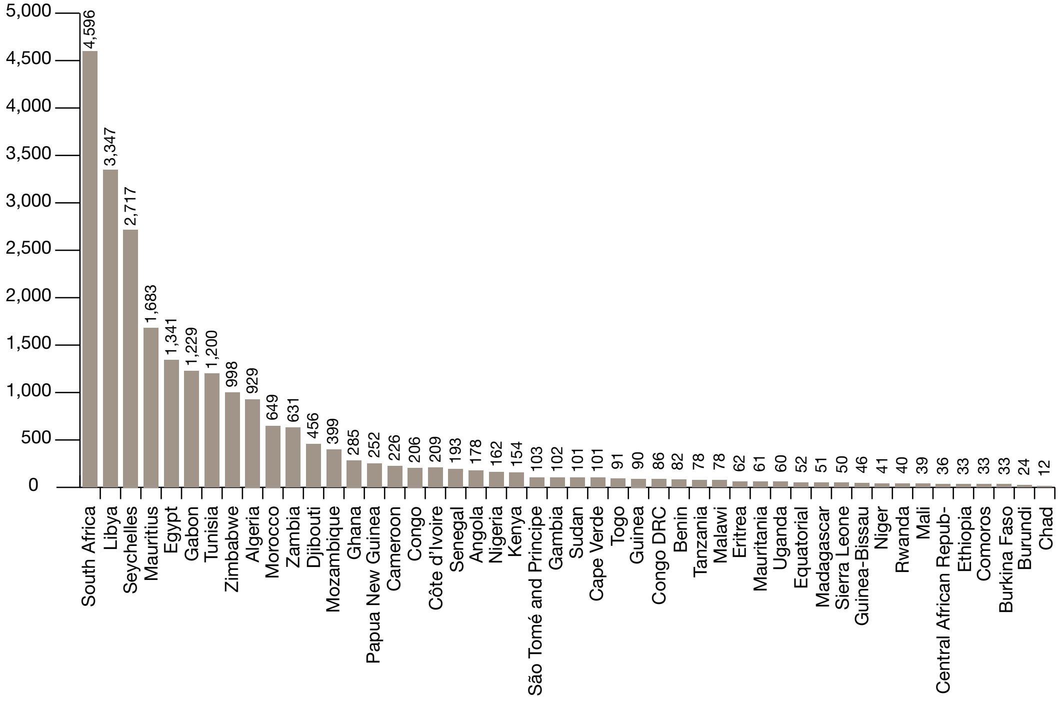
[6] Taking into account power stations planned to be operational by 2017 with best estimates as at mid-2008, including Inga III, which is an optimistic view.

Electricity consumption per capita is an exact Pareto curve where 20% of the population (11 countries) use 80% of the available electricity. The curve is illustrated in the following chart:

Electricity consumption per capita (kilowatt-hours)



Mining

Although they were two different kingdoms, Egypt and Kush were linked by the Nile River, by a shared past, and by the economics of the day. Kush had something other kingdoms wanted. They had iron. This time in history was known as the Iron Age. From about 1000 BCE to about 1000 CE, iron was critically important. Iron was used to make tools and weapons. Kush was the iron centre of ancient Africa. Kush was also one of the major gold producers in the ancient world. It is not claimed here that these were the first mining activities in Africa, but it points to a past which richly realizes that Africa has always been a wealthy continent.

Richly endowed with almost every metal, precious stones, gold, minerals, oil and natural gas; widely distributed – discovered and undiscovered – mining adds to Africa that special sense of nature's favour, and the historical magnet that drew many tribes and nomads to dig deep to uncover these riches. It was this very essence that developed the disparate nations to the cosmopolitan continent that Africa is today, and also adds to the challenge of the curse of riches brought to unsuspecting cultures unprepared for the pressures of civilization.

Decisions made today regarding Africa should not lose sight of the two-edged sword carried by those with one view in mind – remove Africa's riches and leave very little in its place. These are realities, since to mine and export raw materials to be turned into product elsewhere leaves a barren land and poor people behind. Balance should be found where development may be exchanged for natural wealth, empowerment of nations in exchange for the gold others seek.

Africa is parting with its wealth at a rapid rate. Parting with wealth should be measurable against some intrinsic permanent heritage, and this is not visible in Africa. The only economic advantage to the African people is the payment for their labour and lasting infrastructure does not result in most mining operations – let Africa be developed, and not raped – for surely the hands that dug the soil, or lifted the pick to benefit the rich have very little to show for their effort and toil.

The economic meltdown will deepen the poverty levels and severely impact on the prospects of economic growth within the mining sector in Africa.

The price of key industrial metals has fallen further over the last four months than occurred during the worst years of Great Depression between 1929 and 1933, according to research by Barclays Capital.

Daily Telegraph 10 December 2008

The raging global financial crisis has forced commodity prices to nose-dive, dealing a major blow to mining-based African economies which had registered some positive growth in the last few years. The gains made are now being eroded, worsening poverty across the continent. Mining companies in mineral-dependent economies in Africa are scaling down operations, resulting in massive retrenchments and lay-offs. Botswana, South Africa, Zambia, the Democratic Republic of Congo and Zimbabwe are some of the hardest hit countries in southern Africa. These countries have registered significant cuts in their export receipts, severely affecting revenue flows for the governments.

A sharp decline in commodity prices in the past three months for minerals such as platinum, copper, nickel and gold has slowed down economic growth and led to a significant fall in government revenues. Mineral revenue forms the bulk of governments' total revenues and in Botswana, mineral revenue accounted for about 35-50 percent of the total government revenues over the past five years.

Africa boasts of holding 30 percent of the world's mineral resources, including 40 percent of gold, 60 percent cobalt, 90 percent platinum, 72 percent chromium and approximately 65 percent of diamonds.

Africa is carrying the heavy burden of the global crisis with more countries on the continent producing oil, coffee, cocoa, flowers and other agricultural products and others relying on tourism reeling from the effects of the self-made financial crisis. The mining sector is not insulated against the global financial crisis. Copper was hit hardest during the Depression, despite the electrification drive in the US and the Soviet Union, falling 70 percent at one stage before creeping back in the mid-1930s. The reason was an 85 percent fall in US construction at that time, then the biggest user of the metal.

In some African countries, investment in mining has not abated. Mozambique is an example where capital inflows have surged and a number of companies from countries such as South Africa, Russia, Brazil and India are buying stakes in mines throughout the country, signifying the emerging importance of Mozambique's mining industry in its economy. The diverse geology of Mozambique offers a range of minerals and metals including gold, uranium, titanium, coal and bauxite. The Manica belt spanning western Mozambique is the primary source for the country's gold, copper, iron ore and lead resources. High-grade bauxite is also found here. In spite of the myriad natural resources that Mozambique hosts, the country suffers from certain infrastructural and systemic flaws.

The following table shows mining production in Africa for the years 2006 and 2007, most of which was exported as raw material.

Mining production		2007	2006
Alumina	Tonnes	566,100	555,000
Aluminium	Tonnes	1,940,725	1,874,100
Antimony	Tonnes	4,725	4,500
Asbestos	Tonnes	99,865	96,956
Barytes	Tonnes	722,134	707,587
Bauxite	Tonnes	19,812,171	19,042,948
Bentonite	Tonnes	126,850	131,123
Beryl	Tonnes	168	169
Chrome Ore	Tonnes	8,501,063	8,279,434
Coal	Tonnes	258,463,558	248,551,881
Cobalt	Tonnes	36,765	36,283
Copper	Tonnes	1,900,312	1,809,632
Crude Steel	Tonnes	18,782,631	18,261,700
Diamond	Carat	95,530,453	93,634,983
Diatomite	Tonnes	1,961	1,985
Feldspar	Tonnes	528,828	512,337
Ferro-Alloy	Tonnes	3,322,783	3,169,073
Flourspar	Tonnes	647,596	626,979
Gold	Kgs	491,104	488,657
Graphite	Tonnes	14,541	14,288
Gypsum	Tonnes	2,743,730	2,649,110
Iron Ore	Tonnes	57,700,886	57,650,432
Kaolin	Tonnes	390,830	393,584
Lead	Tonnes	243,983	240,803
Lithium	Tonnes	0	0
Magnesite	Tonnes	58,736	55,939
Manganese Ore	Tonnes	10,277,740	10,120,728
Mercury	Kgs	10,200	10,000
Mica	Tonnes	922	898
Natural Sodium Carbonate	Tonnes	623,750	632,276

Mining production		2007	2006
Nickel	Tonnes	133,796	131,986
Palladium	Kgs	96,326	90,287
Perlite	Tonnes	1,152	1,200
Phosphate Rock	Tonnes	43,384,908	42,479,785
Pig Iron	Tonnes	15,060,210	14,934,000
Platinum	Kgs	170,110	173,123
Platinum – Other	Kgs	55,075	54,012
Salt	Tonnes	5,070,371	5,061,431
Selenium Metal	Tonnes	10	10
Sillimanite Minerals	Tonnes	227,700	230,000
Silver	Kgs	404,232	396,208
Strontium Minerals	Tonnes	2,646	2,700
Sulphur Pyrites	Tonnes	498,335	483,777
Talc	Tonnes	60,420	57,000
Tantalum/Niobium Minerals	Tonnes	591	575
Tin	Tonnes	9,893	9,622
Titanium Minerals	Tonnes	2,379,510	2,246,000
Tungsten	Tonnes	197	195
Uranium U315	Tonnes	2,810	2,782
Uranium U316	Tonnes	3,331	3,434
Uranium U317	Tonnes	564	542
Vanadium	Tonnes	248,792	241,298
White Arsenic	Tonnes	0	0
Wollastonite	Tonnes	54	55
Zinc	Tonnes	329,754	318,102
Zinc Slab	Tonnes	256,664	252,514
Zirconium Minerals	Tonnes	413,580	418,000

Industry

Trade in the northern reaches of this great continent was the forerunner of trade in the hinterland in later centuries, since Africa is so ancient that any reference in time needs to be calibrated in centuries; yet in the southern tip where much of the trade is bargained for today, decades are a good measure. Africa is without doubt the only complete continent reflecting stark contrast between the old and the new and maintaining both.

Between the 11th and 15th centuries West Africa exported goods across the Sahara Desert to Europe and beyond. The sands of the Sahara Desert could have been a major obstacle to trade between Africa, Europe, and the East, but it was more like a sandy sea with ports of trade on either side. In the south were cities such as Timbuktu and Gao; in the north, cities such as Ghadames (in present-day Libya). From there goods travelled onto Europe, Arabia, India and China. Muslim traders from North Africa shipped goods across the Sahara using large camel caravans – on average around a thousand camels, although there's a record which mentions caravans travelling between Egypt and Sudan that had 12,000 camels. They brought in mainly luxury goods such as textiles, silks, beads, ceramics, ornamental weapons, and utensils. These were traded for gold, ivory, woods such as ebony, and agricultural products such as kola nuts (which act as a stimulant as they contain caffeine). They also brought their religion, Islam, which spread along the trade routes. Nomads living in the Sahara traded salt, meat, and their knowledge as guides for cloth, gold, cereal, and slaves. Until the discovery of the Americas, Mali was the principal producer of gold. African ivory was also sought after because it's softer than that from Indian elephants and therefore easier to carve. Slaves were wanted by the courts of Arab and Berber princes as servants, concubines, soldiers, and agricultural labourers. When Sonni Ali, the ruler of the Songhai Empire, which was situated to the east along the curve of the Niger River, conquered Mali in 1462, he set about developing both his own capital, Gao, and the main centres of Mali, Timbuktu and Jenne, into major cities which controlled a great deal of trade in the region. In 1652, Dutch traders landed at the southern tip of modern day South Africa and established a stopover point on the spice route between the Netherlands and the East.

By 1880, only a few intrepid European and American explorers had travelled deep into the heart of the African continent. Thirty years later, after a mad "Scramble for Africa", all but Liberia and Ethiopia had been annexed by the vast European empires.

From the early departure of the Germans under the Treaty of Versailles to the first-in-last-out stance of the Portuguese – the struggle for independence was both long and bloody. But by the mid 60's the majority of African states were free from colonial rule.

Yet there is hope. Africa shows a favourable surplus gained between imports and exports. The future aim should be to increase the value added so that Africa's people may rise above poverty and disease – in a humane empowering way. The following table shows that amongst its main global trading partners, only China has a surplus. Africa has a surplus, but for vastly different economic reasons. Raw materials leave the continent raw and unprocessed.

Africa's main trading partners world merchandise trade global exports less imports								
	1948	1953	1963	1973	1983	1993	2003	2007
United States	4.59	3.94	4.72	(1.95)	(64.31)	(138.73)	(578.35)	(881.23)
Europe	(7.66)	(4.15)	(10.23)	(22.51)	(31.79)	(20.47)	(75.26)	(262.30)
China	0.13	(0.33)	0.58	0.66	0.84	(12.22)	25.43	177.45
India	(0.13)	(0.06)	(0.85)	(0.30)	(4.91)	(1.24)	(13.63)	(54.49)
Africa	(0.74)	(0.55)	0.35	4.68	(4.86)	(5.73)	13.75	73.53

Commodities

Commodity prices have declined sharply (oil, minerals, metals) as a direct result of the global financial crisis which is affecting on the wealth African countries in a very serious way. The effect is asymmetric between importers and exporters of commodities. Oil importers, who suffered in 2008 from the sharp increase in oil prices (reaching $147 a barrel in July 2008), will benefit from the decline in oil prices, whereas the reverse is true for oil exporters such as Nigeria and neighbouring West African States as well as Algeria. Using the latest commodity forecasts available the size of the terms of trade shock (expressed as a percentage of 2006 GDP) for African countries in 2008 and 2009. As the summary table from the World Bank below indicates, the rankings are almost completely reversed: the countries with the most favourable terms of trade shocks in 2008 ("top five") are among those with the most negative in 2009 ("bottom five"), and vice-versa:

Terms of trade shocks (% of 2006 GDP)			
	2008/2007		2009/2008
Top five			
Equatorial Guinea	32.5	Seychelles	5.4
Angola	21.9	Eritrea	3.8
Congo Rep.	19.3	Togo	3.6
Gabon	17.9	Comoros	2.2
Mauritania	16.3	Senegal	2.2

Terms of trade shocks (% of 2006 GDP)			
	2008/2007		2009/2008
Bottom five			
Togo	-6.1	Nigeria	-10.2
Senegal	-6.2	Gabon	-12.5
Cape Verde	-6.8	Congo Rep.	-13.6
Eritrea	-9.8	Angola	-15.1
Seychelles	-10.5	Equatorial Guinea	-20.9

Telecommunications

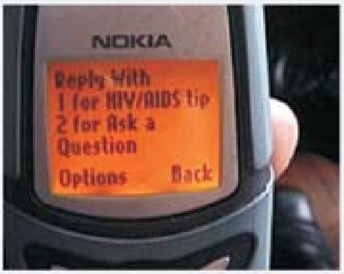
The Chauvet Cave was discovered in the Ardèche valley (in southern France) in December 1994 by three cave explorers. The oldest communication known to modern man was found here as symbols created with the purpose of communication by means of cave paintings, a form of rock art, dating to the Upper Paleolithic (around 30,000 BC). Just as the small child first learns to draw before it masters more complex forms of communication, so homo sapiens' first attempts at passing information through time took the form of paintings. Though not well standardized, those paintings contained increasing amounts of information: Cro-Magnon people may have created the first calendar as far back as 15,000 years ago. Communication moved very slowly. The connection between drawing and writing is further shown by linguistics: in the Ancient Egypt and Ancient Greece the concepts and words of drawing and writing were one and the same. Evolution increased the distanced, and shortened the time for news to travel, which brings us back to Africa.

In Africa, where music is simply an interpretation of everyday life in sound, drums were used as speech, and the sound of a distant drum was carefully deciphered to hear news from afar. These sounds are atypical to Africa, and once heard, never forgotten. What has taken the developed world centuries to develop has passed on to Africa in an encapsulated form – already invented – waiting to be revealed to nations balancing in the gap between no-ledge and knowledge.

When Alexander Graham Bell invented the telephone on 10 March 1876, it opened man's mind to distance communication which would change lives, especially in business, forever. Man has advanced far along the road in communication. The seeds of mobile technology were sown way back in the 1940s, when researchers working in the field believed that it was possible to invent a phone that could travel with its user. One claim of fame goes to Dr. Martin Cooper, formerly an employee of Motorola, as the inventor of the first mobile phone. It was supposedly in 1973 that Dr. Cooper came up with the

Delivering services by mobile

The Open Knowledge Network project is running a pilot project using SMS push and pull services relating to health (special focus on HIV/AIDS), jobs, and community news. The pilot is based in one of Nairobi's slums, where most people have access to mobiles.



first 'cell phone'[7]. The mobile telephone has become ubiquitous and we rarely move more than arms-reach from this communication device.

What is significant is that the mobile telephone has evolved into one of the greatest tools of empowerment in Africa (and other developing countries), allowing direct speech communication, small effective messaging, personal banking and trading between people with little or no literary ability. Telecommunication disparities between African countries are perceptible. Notwithstanding expansion moves from a small base, it is clear that before long independent regulators will be established, and once countries realise that switching to a system of unified licences is the way to leadership in this discipline, exponential growth will follow. Historically subscribers were the driver advancing growth using voice services. Future expansion will be driven by a variety of services on offer empowering the user in contrasting ways. As the bandwidth increases, the cost will decrease. Complexities in dealing with multiple regulatory environments and rolling out and maintaining infrastructure in challenging environments is not something that can be learned overnight. Regional and multi-national operators are actively pursuing acquisitions across the continent to consolidate their positions in African telecommunications. Profitably and return on investment are favourable indicators for many African operators.

Operators with experience in Africa may have a decided advantage over new entrants. The East African region is seeing increased focus as a significant growth area. The Horn of Africa has lagged behind the rest of the continent in terms of mobile penetration, but a more responsive political environment could unlock additional growth.

The demand for mobile phones across African is huge and rapidly expanding. In 2001, less than 3 percent of the population had access to a telephone. Since then, the number of mobile subscribers has grown to over 50 million, representing over 7 percent of the population. The number of subscribers is currently expanding at around 35 percent a year, and is forecast to continue, and the horizon is indeterminable at this time. The rapid expansion of markets is clearly linked to liberal regulatory environments, where operators have been given freedom to respond to customer requirements. Globally, the industry recognizes that its next one billion customers will be won by companies that develop business models that work for poorer people. This presents enormous opportunities for the delivery of pro-poor services. Affordability is a key issue, with the cost of telecommunications in Africa remaining amongst the highest in the world, opening the door for low cost operators in the future.

This area of endeavour is one of the most exciting advantages offered to the poorest of the poor in Africa. Empowerment in the hand where previously none existed. This advantage should not be underestimated. A common theme emerging from the actions proposed is the need to explore innovative

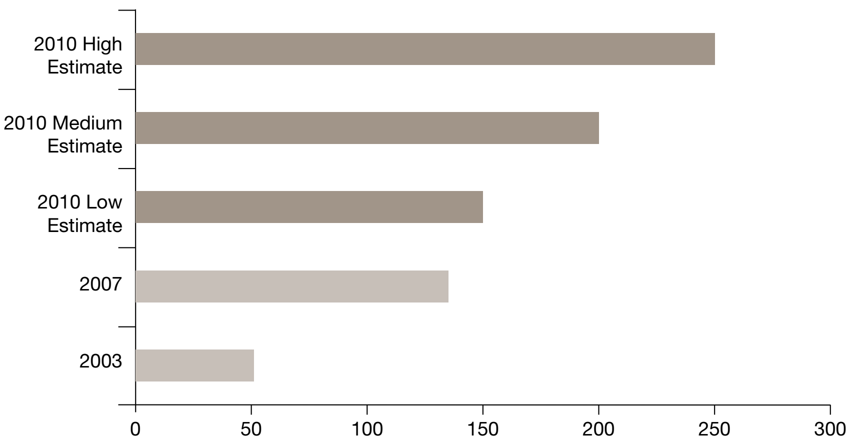
7 The concept of cells that was developed at Bell Labs proved crucial in the invention of cellular technology.

partnerships with a view to finding unique solutions to conditions in African countries. Africans have already seized on the opportunities presented to them by the advent of mobile phones. There is now an opportunity to extend the evident benefit to the most marginalized communities and a challenge to make sure that the benefits of this technology are maximised. Finding and retaining key skills remains a key challenge for operators.

Mobile penetration

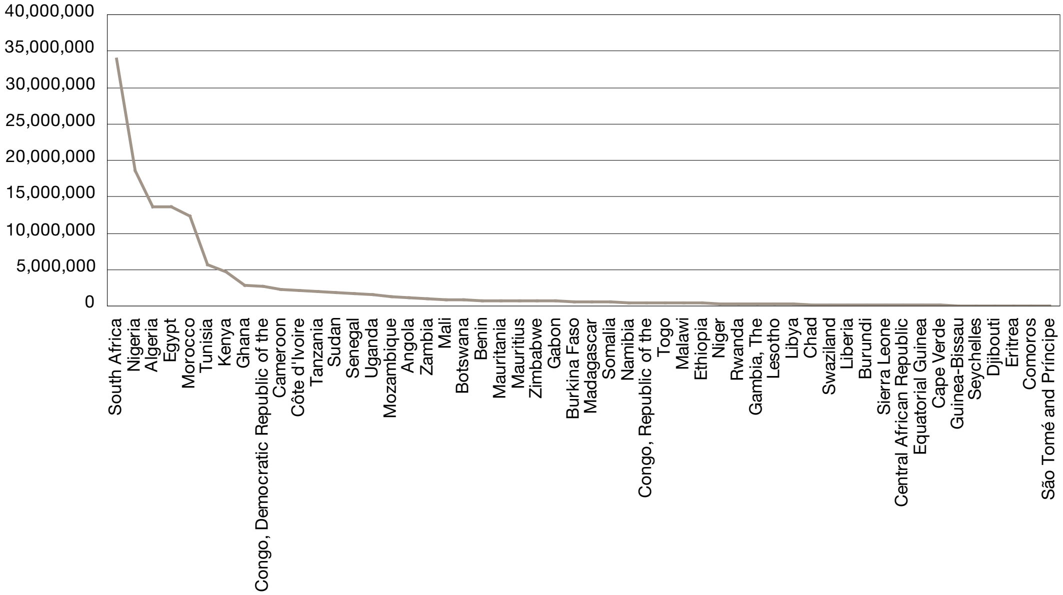
South Africa's MTN Group incorporated in the same year that the country chose the path to democracy and freedom (1994) and today is a growing multi-national company expanding its African footprint. By 2005 it boasted 14 million subscribers. Today MTN has a strong presence in sixteen African countries and has a reach beyond African boarders as far afield as Syria and Afghanistan. Their vision is "To be the leading provider of telecommunications in emerging markets". There are numerous major players in this fast expanding market, and there is no horizon in sight. Mobile telephony in Africa offers interoperability across national borders. In 2007 CelTel launched its "one-network" service offering interoperability connecting 400 million people in twelve African countries. Customers can add airtime in their home currency and carry it across borders, giving African customers something Europeans only dream about. (The same holds true for banking where companies such as Barclays and Standard Bank have expanded their footprint across the continent).

Mobile telephone penetration (Millions)

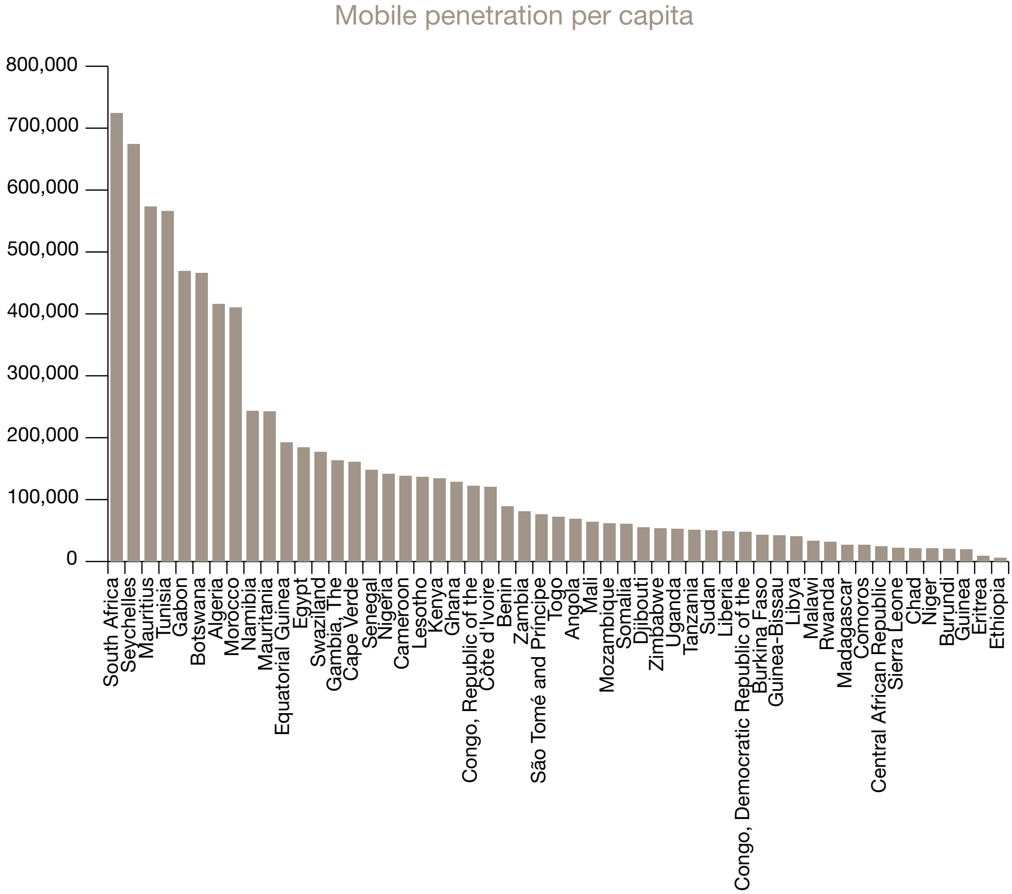


The spread of penetration as mentioned earlier, is unequal. The range runs from 34 million subscribers in South Africa to12 thousand in São Tomé and Príncipe.

Mobile penetration by country



Population spread reveals an unexpected picture to the statistics.



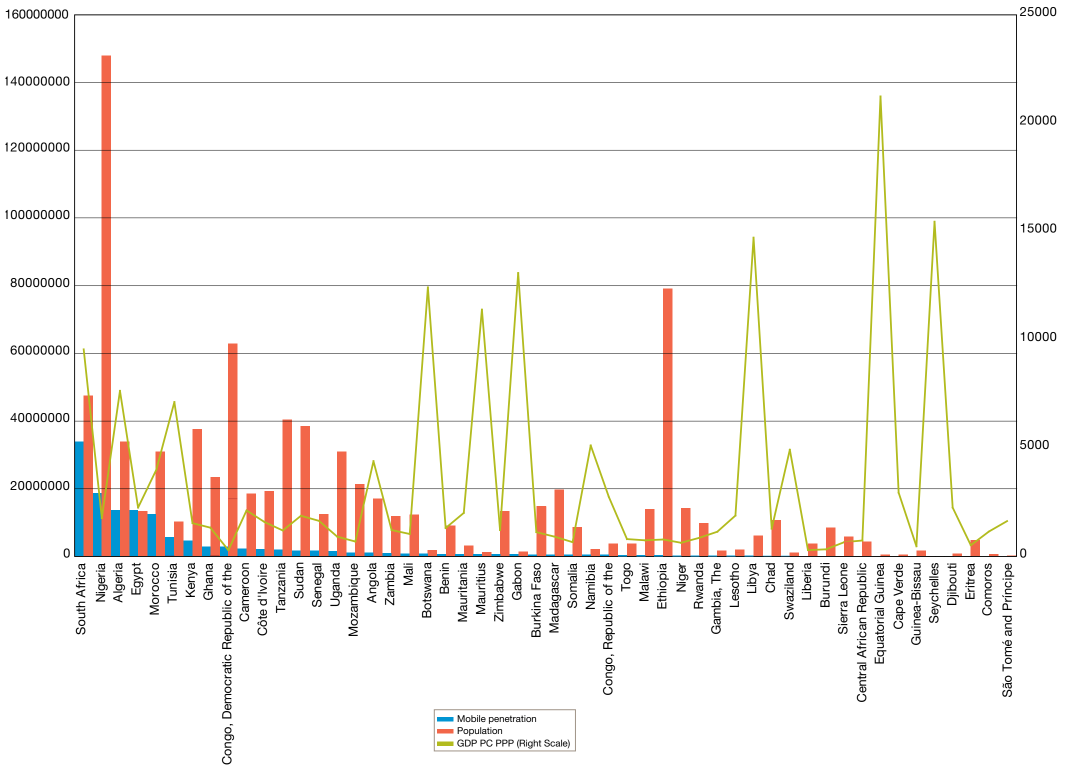
Taking into account that the penetration envisaged is not evenly spread across Africa because of the disparity in distance coverage, and the known inequality in GNI per capita – growth is expected to yield healthy business opportunities to mobile operators in the various regions.

The International Telecommunications Union's latest statistics measure mobile cellular use in Africa in 2006 at 7.2% of users worldwide. This is huge, considering the small base and time scale since this equipment has been made available. Mobile cell phone use on the continent has grown at more than twice the rate of the rest of the world. Statistics don't tell the full story, since in countries where accessing a phone previously meant travelling long distances to the nearest landline, cell phones provide a distinct advantage. A 2005 survey by Vodafone found that 97 percent of Tanzanians polled had access to mobile phones, while only 28 percent had access to landlines.

There are numerous ways in which countries are able to increase penetration by way of association, for example the five countries of the East African Community (EAC) or the Economic Community of West African States (ECWAS). Beyond this there are advantages interoperability with mobile connections where countries are landlocked offers huge advantages to the community logistically.

This communication is a miracle to the people of Africa which should not be underestimated. Meaningful development in this one area will be transformational. There are definite spinoffs in utilising solar and wind energy to power the intermediary transmission stations, which in themselves have the potential to develop renewable resources once the local population grasp the significance.

Mobile penetration by country



Africa has poor fixed-line infrastructures and, as a result, has seen high growth in mobile usage. To meet the demand, local governments have had to encourage private investment and this has, in turn, attracted the attention of foreign investors. Initially this was from Europe with players such as Vodafone, France Telecom and Millicom. Recently, however, cash rich Middle Eastern companies have started buying substantial chunks of Africa's telecommunications business. So too with the internet and the urgency of e-mail.

The road from Nairobi winds 160 kilometres to the village Entasopia deep in Maasai country. The asphalt gives way to sand and dust finally into a dirt track climbing over broken hills and plunging back to desert flats. The going is slow. The outpost, with about 4,000 inhabitants, is at the end of that road and beyond the reach of power lines. It has no bank, no post office, few cars and little infrastructure. News from the outside world arrives as a bundle of newspapers once a month. At night, most people light kerosene lamps and candles in their houses or fires in their huts and go to bed early, except for the farmers guarding crops against elephants and buffalo. This is the last place one would expect to find an internet connection. In 2008, three young engineers from the University of Michigan backed by Google installed a small satellite dish powered by a solar panel to connect a few computers in this remote part of East Africa. When Internet connections arrive in small towns like Entasopia, they put new tools into the hands of people hungry to use them. These humble beginnings will evolve into an empowerment with the promise of wide repercussions.

Internet users and population statistics Africa

	Population 2008 est.	Population Global %	Internet Users	Penetration (% Population)	% Users in World	Use Growth (2000-2008)
Africa	955 206 348	14.3%	51 065 630	5.3%	3.5%	1031.2%
Rest of world	5 720 913 940	85.7%	1 412 566 731	24.7%	96.5%	296.3%

Africa is slowly being transformed by the internet. In most African countries, connectivity was the exception rather than the rule. At first glance, the idea that the Internet could have a major impact in the poorest parts of the developing world – Africa in particular – seems unlikely. Few people in poor, rural areas have access to PCs or even electricity. The Internet infrastructure is limited to major urban areas in most countries, except where innovative ways are used to create, as is the case in Entasopia. Online communities and markets are emerging in Africa, which accounts for more than half of the world's poorest countries, with people using low-cost cell phones rather than PCs for connectivity. They're providing vital data and information to community-based workers, connecting farmers with trading networks for their crops and commodities, and more broadly, providing access to political and social information that's changing people's lives. This market's only indeterminacy is how fast it will grow. Africa has only 3.5 percent of the world's Internet users, according to Internet world stats. The picture varies across the continent, with South Africa and northern African countries having the highest percentage of their populations online, but the vast majority of Africans, especially those who live outside urban areas, have little or no access. Even in cities, Internet access can be quite slow; it's often dial-up, with internal country traffic as well as traffic between African countries frequently routed through Europe or other non-African countries. Companies such as Google (and YouTube), Yahoo!, Disney, News Corp., Time Warner, Microsoft, InterActive, Facebook, Craigslist, Brightcove, Yelp, SINA Corp., Baidu, aQuantive, ValueClick, 24/7 Media, Netflix , Wikipedia, MobiTV, Digg, and Hakia are some of the more important players to watch to see how they will spin their magic across Africa. Many of these companies will be major beneficiaries of the new trends, some will help define it, and others may be severely hurt because of the User Revolution. What may be acceptable in the developed countries may not be what the nearly one billion Africans will want.

Key to making cell phones the portal to the Internet is making them affordable. Africa could take a page out of India's experience as the leader with a cell-phone-subscribing population of 226 million – about 19 percent of its total population – and as many as seven million people a month signing on as new subscribers. As cell phone use has grown, costs have been driven down to affordable levels for people with low incomes.

Carriers have unbundled services from equipment, letting them charge less for service because they're not subsidizing handset costs. About 85 percent of all Indian cell phone contracts are prepaid, making it easier for customers to pay for service and providing more cash up front to operators. Local manufacturing facilities in India are also bringing the total package cost down.

Transportation and logistics


TUNISIA
MOROCCO
ALGERIA
LIBYA
EGYPT
WESTERN
SAHARA
MAURITANIA
MALI
NIGER
CHAD
CAPE VERDE
SENEGAL
THE
GAMBIA
GUINEA
BISSAU
GUINEA
BURKINA
BENIN
NIGERIA
SUDAN
ERITREA
DJIBOUTI
Berbera
ETHIOPIA
SOMALIA
SIERRA
LEONE
COTE
D'IVOIRE
GHANA
LIBERIA
TOGO
São Tomé and Príncipe
CAMEROON
CENTRAL
AFRICAN
REPUBLIC
EQUATORIAL
GUINEA
REP OF
THE
CONGO
GABON
DEMOCRATIC
REPUBLIC OF
THE CONGO
(ZAIRE)
UGANDA
KENYA
RWANDA
BURUDI
Zanzibar
TANZANIA
MALAWI
ANGOLA
ZAMBIA
MOZAMBIQUE
MADAGASCAR
ZIMBABWE
NAMIBIA
BOTSWANA
SWAZILAND
LESOTHO
SOUTH AFRICA
Africa's landlocked countries
0
500
1000 Nautical Mile


European Union 4,010,000 km2
China 9,596,960 km2
United States of America 9,629,091 km2
India 3,287,590 km2
Venezuela 912,050 km2
Argentina 2,766,889 km2
Africa 30,221,532 km2

Fourteen countries in Africa are landlocked. Millions of African children have never seen the sea, and millions of adults will pass on without the pleasurable experience of knowing the difference between sand and sea, or that the mountains and the bush wherein they live have an end, known as a place where land meets water. They have stories and tales about the great waters, but the word “sea” or “ocean” is something they cannot grasp.

Logistically, the mere fact that a country does not have access to a national seaport compounds the vagaries of trade, and limits the nature of what decides their industrial or agricultural destiny. It is an inherited disadvantage, and unless the neighbouring country is a friend and not a foe, chances are the cards are stacked against you to trade freely. For the countries with harbours and sea-access to the outside world, they have both sides of the coin showing a win; ability to export, and income from the landlocked countries to use the exit to overseas markets. This geographic inheritance, and the fact that each border represents another country, is yet another unique aspect of this vast place.

In an endeavour to illustrate this, the map alongside depicts the size of Africa and what will fit into Africa. This map underlines the reality that the difficulties faced by Africans are huge in concept as well as proportion.

The surface of the earth is approximately 70.9 percent water and 29.1 percent land. The former portion is divided into large water bodies termed oceans, which are in decreasing order of size: the Pacific Ocean, Atlantic Ocean, Indian Ocean, Southern Ocean, and Arctic Ocean.

Geographically, Africa is 20 percent of the global landmass.

Prior to the 1980s, most transport businesses in Africa which would include railways, bus and trucking companies, airports, seaports, and civil aviation, were publicly owned and managed with heavy state regulations in place. Mainly, and in the aggregate, transport businesses operated at a loss and remained tied to government financial support, without which these businesses would not have survived. Cost recovery was lacking due in part to below subsistence levels and insufficient government subsidies to maintain the infrastructure. The macro economy paid dearly for the inefficiencies

The tide turned in the decade beginning 1990, when the transport sector in Africa underwent a major transformation as governments deregulated the industry introducing a permit market-determined philosophy, enterprise autonomy including public private partnerships. Most truck haulage and passenger bus companies have been privatised, and governments generally agree on concessions to railways, ports and harbours. Airports are currently in a state of flux, and in some cases have already initiated the process of privatisation. Private contractors and concessions in the rehabilitation and maintenance of roads and transport infrastructure. In addition, public enterprises have been given considerable autonomy, and arbitrary regulation has been replaced by regulation through consensual performance contracts. Road funds have been set up using indirect taxation on fuel sales or toll roads as a levy to improve road infrastructure.

Under the auspices of the World Bank, the Sub-Saharan African Transport Program (SSATP) was created in 1980 to cater for the upgrading and maintenance of main as well as rural roads, and positive results have been achieved, especially in the most recent decade. Sub-sectors were created to cover the Road Management Initiative (RMI) for the main roads and the Rural Travel and Transport Program (RTTP) for rural transport.

With the plethora of active member countries (31), the program has now adopted a holistic approach to development policy. Members committed to implementing transport sector strategies are anchored in poverty reduction programs, and at the regional level, the SSATP is trying to fulfil its role within the African Union’s integration goals by focusing on corridor-based trade and transport facilitation initiatives. Because all program members are World Bank clients, there is more strategic clarity about policies and better operational coherence between countries and regions, and augers well for the future. As mentioned earlier, 13 African countries are landlocked – and without these proactive decisions there was little hope of achieving even a modicum of success.

Sustainable financing and management of the infrastructure networks, market-oriented public-private partnership, and fundamental restructuring of the transport industry — as well as direct investments in rehabilitating the infrastructure are now direct initiatives from the World Bank to ensure that these initiatives are carried forward into the future. The new Country Assistance Strategies (CAS), which emphasize corporate restructuring, private participation, as the dynamics for ongoing regulatory reform.

Roads

Roads are the predominant mode for freight and passenger transport in Africa. The challenge is to secure cost-effective improvements in services by expanding and improving road networks and by maintaining the existing road base. This calls for capital investment — most of which is likely to be based on external, concessional financing — improved domestic financing for maintenance, and efficient road management institutions. Sustainable road management requires:

- dedicated user-related road financing arrangements;
- commercially-oriented road management agencies; and
- private sector contracting.

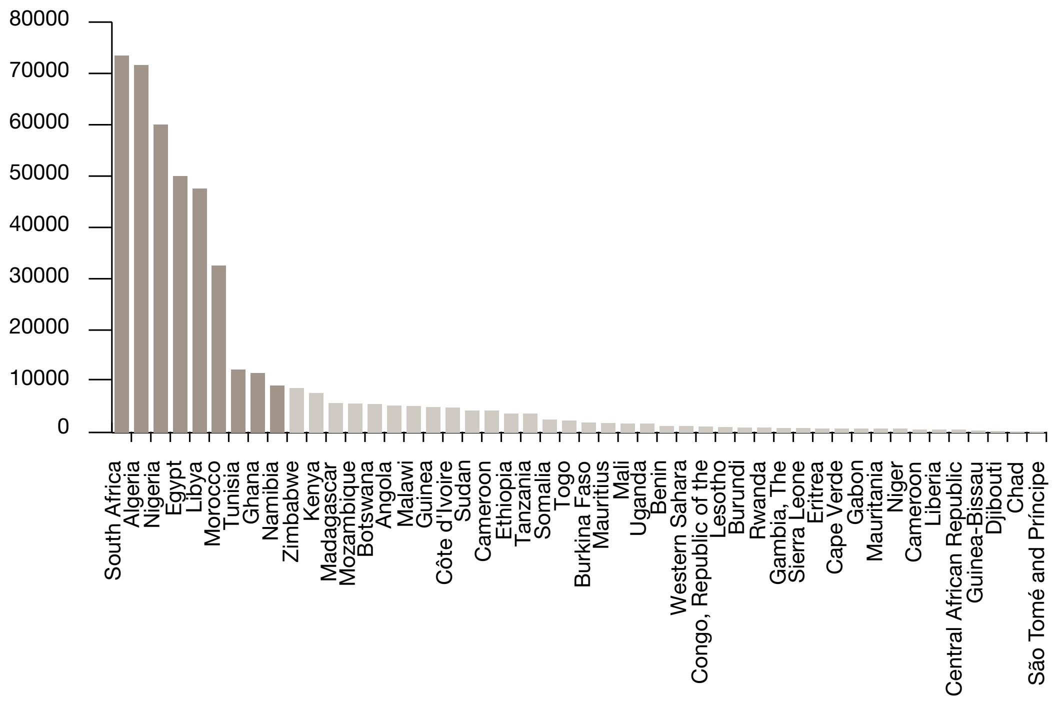
To date, these strategies have in most cases arrested, and even reversed, the decline in funding and in maintenance standards and a substantial amount of institutional building has been achieved.

These initiatives have a palpable economic spin-off for the region where local and global companies bring both technical innovation (road pavement structures etc.) and institutional innovation (greater private sector involvement in road management, use of performance-based contracting methods etc.) to the table. In conjunction with the World Bank, development partnerships are being formed and external financing for the sector is progressing where programmatic lending instruments that support public expenditure strategies are introduced to the benefit of the region. Generally, client countries share the core concept of business-oriented road management, sector-wide approaches (SWAPs). As these are being adopted for road sector lending, coupled with phased adaptable program loans, which are linked to an agreed upon reform program the results lean toward poverty reduction strategies, which include considerable funding for rural roads. The main road sector has benefited considerably – since economic realities drive the requirement – but the secondary and rural roads are underfunded and have not been beneficial to the poorest areas. Community driven development is a first requirement in the supply of road construction, giving work to the unskilled unemployed in rural areas – with the bonus of usable roads where before there was none.

Africa has 467,510 km paved roads between Cape and Cairo.

Nine countries depicted on the chart account for 80% of all paved roads. Twenty-seven countries (50% of countries) account for 96% of paved roads. The statistics are skewed by the fact that some countries have a larger surface area to cover, but this is not entirely correct when considering the imbalance in countries like the Sudan.

Paved roads in Africa



Transport

Urban areas in African countries typically account for over half of their country's national industrial and commercial investments. The transport infrastructure and services within these areas are generally inadequate. Lack of transport reduces the productivity of investments and contributes to urban poverty. Strategies for poverty reduction should be closely linked to urban transport issues. Non-motorised transport (on foot or bicycles) is the principal method of locomotion. The Lagos Urban Transport Project launched by the World Bank adopts policy and institutional reforms to make better use of transport resources and add strategic additions which are sustainable over the medium and long term. Such initiatives are a first requirement since many millions of people in Africa need to travel over long distances to earn a living. Even in a country with a well developed infrastructure such as South Africa, a well developed urban taxi industry run by private operators is the main provider of transport to and from work. The dichotomy is that this service requires a large percentage of their income; there is no other option available to the majority, and taxi fares are very often the top line on their expense budget – even before the cost of food – and are a dire necessity to stay alive. Once again, poverty is not a chosen way of life – it is foisted on

the poor. No matter what approach is followed to eradicate this unfair disadvantage, until an international "Africa" solution is found for this challenge, no prospect of poverty alleviation is insight. This aspect should be on the to do list at every opportunity.

Conversely, regional transport promotes regional integration and regional and international trade. The benefits of improvement are the reduction of poverty. Regional non-tariff barriers and customs reforms similar to the European Union model should be a future aim between all African nations for the same reason. These initiatives should address the availability of corridors for landlocked countries. The SADC Transport Corridors initiative is a good example. Concerning regional transport, the following initiatives are in the pipeline:

- facilitation of trade and transport procedures (WAEMU initiative in West Africa, Central Africa (CEMAC), and East Africa (EAC);
- supply chain/logistics for some key African exports, such cotton from Chad or Niger through Cameroon or Benin;
- aviation safety and security improvement (ECOWAS and CEMAC); and
- the absolute awareness of cross-border HIV (HIV/AIDS project for the Abidjan-Lagos transport corridor).

To achieve any of the above, grassroots initiatives are urgently required to improve roads and road infrastructure.

Railways

The first record of a basic form of the railway, the rut-way, existed ca. 600 BC in ancient Greek and Roman times, the most important being the ship track-way Diolkos across the Isthmus of Corinth. Covering a length of about 8km, remaining in regular and frequent service for at least 650 years and being open to all on payment, it constituted even a public railway, a concept which did not recur until around 1800. The Diolkos was reportedly used until at least the middle of the 1st century AD, after which no more written references appear.

The first railway in Africa was laid in Alexandria Egypt in 1852; this first line continued until the 1960s. Most of the main lines in Africa were completed by the 1920s. They were hugely expensive to build, both in terms of lives lost and financial cost. Most of them were government owned and run. The reasons for embarking on railway projects were varied:

- Abbas I, the Egyptian ruler, masterminded the first railway on the continent in 1852 solely for the purpose of enhancing trade. He was driven by a desire to bring Egypt in line with Europe (the first train ran in Britain in 1825). He also wanted to use the trains to stimulate trade.

- Emperor Menelik of Ethiopia had similar motivation. While in Egypt the railways carried goods which were already being manufactured and exported.

- In other parts of Africa the railways created new demands and so stimulated trade where there had been none;

- This was particularly the case with the Ugandan Railway running from Mombasa (on the coast of modern Kenya) to Lake Victoria (modern Uganda). The train could cut transport costs by 90-95%.

The advent of the railway impoverished many people who earned their livelihoods as carriers and were put out of work because of it.

Today railways are commonplace in Africa.

World Rank	Africa Rank		Total Track	1000mm Guage	1067mm Guage	1435mm Guage	>1435mm Guage	Total Locomotives	Steam Locomotives	Main Line Diesel Locomotives	Main Line Electric Locomotives	Passenger Coaches	Freight Wagons	Passengers (000)	Passenger-Kilometers (000,000)	Freight Tons (000,000)	Freight Ton-km (000,000)	Approximate Staff
14	1	South Africa	20,872	20,872				5,372	1,378	2,169	1,825	133,645	442,739	9,675	180	95,591	123,367	
30	2	Sudan	5,978		5,978			135				187	5,210	200	120	2	1,654	15,600
34	3	Congo, DR	5,138		5,138			181		134	47	226	3,886	1,659	145	2	386	15,695
35	4	Egypt	5,063				5,063	873				3,232	12,676	1,398,000	67,981	11	3,464	91,439
42	5	Algeria	3,973	1,085		2,888		246				465	10,311	32,000	1,069	8	2,033	13,800
45	6	Tanzania	3,690		3,690			101		101		148	2,152	617	412	1	1,185	9,220
49	7	Nigeria	3,505	3,453		52		165		165		556	2,487	2,610	479	0	54	13,200
55	8	Mozambique	3,123	3,123														
56	9	Zimbabwe	3,077		3,077			169	14	138	17	282	11,385	1,598	583	12	4,871	12,025
59	10	Kenya	2,778		2,778			198		198		243	6,407	2,000	306	2	1,111	14,300
61	11	Angola	2,761		2,761													
68	12	Namibia	2,382	2,382				50	4	46		113	1,627	124	49	2	1,082	1,944
71	13	Zambia	2,157		2,157			62				74	5,758	830	186	2	554	3,400
72	14	Tunisia	2,153	1,770		383		172				291	5,121	34,409	1,197	13	2,364	
76	15	Morocco	1,907			1,907		222		140	82	414	6,868	12,200	1,880	28	4,767	10,905
84	16	Uganda	1,244		1,244			57				85	1,384	33	5	1	104	

World Rank	Africa Rank		Total Track	1000mm Guage	1067mm Guage	1435mm Guage	>1435mm Guage	Total Locomotives	Steam Locomotives	Main Line Diesel Locomotives	Main Line Electric Locomotives	Passenger Coaches	Freight Wagons	Passengers (000)	Passenger-Kilometers (000,000)	Freight Tons (000,000)	Freight Ton-km (000,000)	Approximate Staff
87	17	Cameroon	987		987			66				76	1,214	1,000	249	1	610	2,700
90	18	Ghana	953	953				39		39		203	765	2,200	240	1	129	6,081
91	19	Senegal	906	906				44				108	755	5,100	78	2	441	
93	20	Congo, Republic	894		894			37		37				954	227	1	222	4,442
94	21	Botswana	888	888														
96	22	Madagascar	854	854														
95	23	Guinea	837	837														
94	24	Gabon	814			814		18				44	788	200	88	3	1,611	1,900
101	25	Malawi	797	797										328	19	0	77	1,021
102	26	Benin	758	758														
103	27	Mali	729	729														
104	28	Mauritania	717	717														
107	29	Ethiopia	699		699			22		22		31	590		157		50	2,616
109	30	Côte d'Ivoire	660	660				55		55		92	1,910	718	181	0	312	3,628
110	31	Burkina Faso	622	622														

World Rank	Africa Rank		Total Track	1000mm Guage	1067mm Guage	1435mm Guage	>1435mm Guage	Total Locomotives	Steam Locomotives	Main Line Diesel Locomotives	Main Line Electric Locomotives	Passenger Coaches	Freight Wagons	Passengers (000)	Passenger-Kilometers (000,000)	Freight Tons (000,000)	Freight Ton-km (000,000)	Approximate Staff
114	32	Togo	568	568														
119	33	Liberia	490	490														
125	34	Eritrea	306	306														
126	35	Swaziland	301	301														
130	36	Djibouti	100	100														
138	37	Libya	0	0														
		TOTAL	83,681	43,171	29,403	6,044	5,063	8,284	1,396	3,244	1,971	140,515	524,033	1,506,454	75,831	95,682	150,447	223,916

The World Bank are supporting private enterprise to concession railways and, in particular, monitoring the railway concessions already operational (Burkina Faso/Côte d'Ivoire, Cameroon, Madagascar, Senegal/Mali, Gabon, and Malawi), helping to finalize concessions, where the process is in progress (Mozambique, Ghana, Zambia, Zimbabwe, Kenya/Uganda, Tanzania and Congo, DRC), and motivating the last public railway operators to start the process. This will strengthen the transport and supply chains within the region by helping to coordinate operational agreements among the different railway systems regarding infrastructure access charges, performance norms, information sharing, joint billing and especially sharing infrastructure. This sharing process is not always practicable due to the difference in rail gauge between countries limiting the interchange ability of rolling-stock. There is also the challenge of staff retrenchments when private enterprise replaces state-owned facilities and the cost of asset write-down is a burden to the poorer countries.

These initiatives are sorely needed since railways require more maintenance in Africa than probably anywhere else in the world. A few weeks of unattended track is marred by overgrown underbrush or sticky equipment damaged by severe climatic conditions.

Legal and regulatory framework in and between countries in Africa is a daunting task, and international assistance will add value, especially the experience gained in Eurasia and other countries where this path has recently been addressed as closed societies joined the road to prosperity when borders were opened.

Investment leadership and funding operations are another area where international assistance and skill will be a first requirement. Roads connect. As nation states merge into a more homogenous terrain – (because Africa has common roots homogeneity should be easier than dictated by past events) – innovative financing methods will need to be developed taking into account the life cycle of infrastructure. Capital should be wisely obtained and spread with little chance of payback except to bolster logistical ability.

In West Africa, bad roads and battered, overcrowded buses are a common sight. But a company in Ivory Coast has built the first buses it says are designed to accommodate Africa's needs. The new buses are said to be hardier and contain fewer seats in order to accommodate up to 100 people. This is an African design for Africa, spearheaded by Sotra Industries. These new buses also will help consumers avoid buying expensive foreign vehicles that most Ivory Coast residents can't afford. Sotra hopes that their new buses not only meet the needs of Ivorians, but also other West Africans. They plan to expand into the regional market by producing vehicles for Mali, Burkina Faso and Senegal. At the right price – for African conditions – until the roads arrive.

Air transport

As a means of travel, air travel has been a huge advantage to the countries of Africa. Logistics in Africa has also locked into air cargo as a means to overcome the weak overland connectivity. Very often this advantage is negated by the cost factor, but in many cases this has not been too severe. Examples are where mining companies in South Africa utilise air transport to move temporary mine workers, and likewise repatriate them when their contract runs out. Air cargo is used extensively to transport fresh produce from a number of countries to quickly and efficiently serve the US, Europe, the Middle East and South Africa with succulent items such as asparagus, strawberries and other high value freshly grown items where the saving in labour cost is sufficient to cover the higher cost of freight. *A dampening factor to this practice is that merchants in the developed countries are calculating their carbon footprint carefully, which in the case of airfreight the points system is counterproductive.* This aspect should be a consideration at international level, since the producing countries that have a vast agrarian labour force to supply good food to those who can afford it, are paying an unfair price in lost business. Africa does not choose poverty; it is often foisted upon them by rules made outside their sphere of control. This is just another one of those conditions which may appear sensible, but causes untold harm elsewhere.

International organisations are already setting up partnerships with institutions such as International Civil Aviation Organization: the United Nations agency concerned with civil aviation (ICAO), the Federal Aviation Administration (FAA), ASECNA which covers air traffic services airspace as well as the private sector on air navigation, security and safety issues. Additionally, policy advice and knowledge transfer, in partnership with other institutions, on regulatory reforms that will attract the private sector, as well as on airline restructuring and commercialization of airport operations is underway in most African countries.

According to the World Bank, financing physical improvements will inevitably lead to greater private participation. In addition, there might be a demand for the Bank's guarantee instrument and/or for IFC and MIGA involvement as greater private participation takes hold. In air transport, key partners are regional and global bodies, while regional approaches are needed for the regulatory framework and the establishment of joint air space control and safety oversight. New regional bank instruments should therefore develop and support regional/sub-regional strategies and projects.

The rapid development of safe air transportation is a matter of priority in Africa. The African airlines are not in good shape financially, and a healthy cash flow to operate in this industry is of utmost importance. Standards need to be maintained both on the ground and in the air to ensure the safety of the one factor keeping the aircraft flying, the passenger. Cargo accounts for about 16 percent of the revenue of passenger airlines (excluding industry specific carriers such as DHL, FedEx and UPS). There may be a window of opportunity in the African market to swing this percentage in favour of cargo – as is the practice with large carriers who now operate leased aircraft as cargo only to service available hubs in Africa. The airlines are currently looking for opportunities to broaden their revenue base. This may be more apparent when the Iraq war closure will free cargo holds in the future for more domestic cargo. This may be wishful thinking – Afghanistan occupies these a little longer.

Port and maritime

The spirit of Hannibal is never far away from the modern port of Tunis and the nearby ruins of Carthage; the city was the Mediterranean's most prosperous seaport and possessed wealthy provinces, but it had suffered severe losses from the Romans in the First Punic War (264-241). After Rome's victory, it stripped Carthage of its most important province, Sicily; and when civil war had broken out in Cartage, Rome seized Sardinia and Corsica as well. These events must have made a great impression on the young Hannibal. His home was a port in Africa. These events also were the beginnings of ports for war and by default ports of trade. Africa is surrounded with ports of entry, the gateway to the outside world.

The development of port facilities may be broken down into two broad aspects:

- where market size allows it, there is an opportunity to concentrate on sector reform, public private partnerships and private sector direct participation; and

- where market size is limited, focus is on rationalization of public sector management and operation.

The current operational ports in Africa are listed in the following table:

Country	Port/s	Country	Port/s	Country	Port/s	Country	Port/s
Algeria	Algiers Annaba Oran Skikda	Egypt	Alexandria Damietta Port Said	Mali	Landlocked	South Africa	Cape Town Durban Richards Bay East London Port Elizabeth Saldanha Bay Simonstown (Coega)
Angola	Lobito Luanda Soya	Equatorial Guinea	Bata Malabo	Mauritania	Nouakchott	Sudan	Port Sudan
Benin	Cotonou	Ethiopia	Assab Massawa	Mauritius	Port Louis	Swaziland	Landlocked
Botswana	Landlocked	Gabon	Libreville Port Gentil	Morocco	Agadir Casablanca Ceuta	Tanzania	Dar es Salaam Mtwara Tanga Zanzibar
Burkina Faso	Landlocked	Gambia	Banjul	Mozambique	Beira Maputo Nacala	Togo	Lome
Burundi	Landlocked	Ghana	Tema	Namibia	Luderitz	Tunisia	Sfax Sousse Tunis-La-Goulette
Cameroon	Doula	Guinea	Conakry	Niger	Landlocked	Uganda	Landlocked

Country	Port/s	Country	Port/s	Country	Port/s	Country	Port/s
Cape Verde	Praia	Guinea-Bissau	Bissau	Nigeria	Calabar Lagos-Apapa Port Harcourt Warri	Zambia	Landlocked
Central African Republic	Landlocked	Kenya	Mombasa	Rwanda	Landlocked	Zimbabwe	Landlocked
Chad	Landlocked	Lesotho	Landlocked	Sao Tome and Principe	Sao Tome		
Congo, Republic	Pointe Noire	Liberia	Buchanan Monrovia	Senegal	Dakaar		
Congo, DRC	Boma Matadi	Libya	Benghazi Tripoli	Seychelles	Victoria		
Côte d'Ivoire	Abidjan	Madagascar	Majunga	Sierra Leone	Freetown		
Djibouti	Djibouti	Malawi	Landlocked	Somalia	Berbera Mogadishu		

The Kenya Ports Authority has secured a loan from Japan Bank for International Cooperation (JBIC) to enable it expand Mombasa port so as to handle two million containers annually, from the current 600,000, and position the port as a regional hub. Kenya has started the process of setting up a free port in a move meant to jump-start industrialisation, especially the government plans to convert Export Processing Zones into all inclusive Special Economic Zones to host the free port at Dongo Kundu in Mombasa. This development is planned to be part of long held plans known as Vision 2030. The port is part of plans to expand and modernise Kenya's coastline to eventually include a new port in Lamu.

There are four other free ports in Africa – Egypt (Port Said and the Suez Canal), Morocco (Tangier Exportation Free Zone) and Mauritius (Port Louis), South Africa is nearing the completion of the new Coega Project – a multi-billion dollar industrial development complex and deepwater port 20 kilometres east of the city of Port Elizabeth in the Eastern Cape – which is destined to become the logistics hub for Southern African trade, including an Economic Development Zone and free port.

Business profile

Corporate social responsibility in Africa is a phrase that companies employ to suggest that they are doing well, when in fact they are solely focused on doing very well indeed in their endeavours to promote business in Africa. The question is have international companies initiated broad development programs that have become a genuine part of the development process in Africa?

In South Africa, for example, since the transition to democracy there has been a proliferation of external codes of corporate conduct. The Global Sullivan Principles was one of the forerunners, which were launched at the UN in 1999, and since joined by the Global Compact of the UN, the Extractive Industry Transparency Initiative, the Voluntary Principles and others. While each of these codes has its own objectives and methods of implementation, there is no shared set of indicators which demonstrate how companies contribute to Africa's development. Moreover, there are enduring perceptions that multinationals, especially in the extractive sectors, are doing little more than contributing to environmental degradation, as in the Niger Delta, or poor governance, as in Equatorial Guinea.

There is no question that companies in diverse sectors in Africa are making significant contributions in the countries where they are active.

The HIV/AIDS crisis in South Africa, for example, has compelled many companies to adopt aggressive programs that offer treatment as well as prevention to employees, their family members and, in some instance, the communities where the employees live.

In Equatorial Guinea, oil companies have entered into partnerships with the government to train teachers and eradicate malaria. In West Africa, international cocoa producers have adopted programs to guard against child labour and ensure that children have access to education. In Angola, the international oil companies have become engaged in a range of development projects, from resettling ex-combatants to creating micro-finance institutions.

The US government has realized the value of public-private partnerships in the economic development process. According to its figures, USAID's Global Development Alliance has leveraged $1.4 billion of taxpayer dollars into $4.6 billion through the creation of over 400 public-private partnerships in the developing world.

Given the focus on commodities, international companies will be making increasingly large investments in Africa, especially in the extractive sectors. Not only will this generate significant revenues for the companies and host governments, but it will raise expectations among host governments and civil society organizations that the companies will take a more active, and visible, role in giving back to the communities in which they are active.

More than 800 Chinese companies are active in Africa; they too need to be part of this dialogue. There are important environmental and health concerns surrounding Chinese corporate involvement in such areas as mining and hydroelectric dam construction in Africa, as well as worries over Chinese corporate conduct in dealing with African officials. Consequently, it is essential both for Africa and for China's reputation as a responsible actor in world affairs that Chinese companies take steps to demonstrate that they are constructive corporate citizens. There is some evidence that Chinese companies on the continent are becoming aware of this need. Recently, when China's President Hu Jintao was in Namibia, he convened a meeting of all Chinese companies and underscored the need for them to make responsible social investments along with their commercial investments.

There is no question that multinational companies investing in Africa have the resources, and the responsibility, to contribute to Africa's development. At the same time, international companies need to enhance their understanding of the development process in order to integrate with national development strategies to maximize the results of their social investments.

Research reveals that the multinational companies have different approaches to their development in this new frontier, and the following synopsised summary should be useful for the reader to gauge the pulse of this lifeline to Africa's future. The names are household names on the whole, and their approach to the market is undoubtedly the result of deep research and introspection on account of the vastly different business profile required for success in a market which is completely different to anything these companies may have experienced in their own backyard. Many are successful in their approach, especially companies like Coca- Cola, who over the years has made enormous inroads into Africa because of their business model fit, and the company now declares that Africa is their fastest growing market globally. Unilever, Procter & Gamble and many other companies, as researched are having success because they are following an African Model.

African Business' annual top company ranking includes all companies listed on various African exchanges. This means that a few companies, despite their size or importance, will not appear in these rankings. The top 20 companies are listed in this table:

Rank	Company	Country	Apr-08	Jan-09	% of Total	Pareto	Pareto Count
1	British American Tobacco	South Africa	Not Listed	53,559,800,000	12.1%	12.1%	0.503%
2	Bhp Billiton	South Africa	45,111,699,107	38,821,500,000	8.8%	20.9%	1.005%
3	Anglo American	South Africa	71,895,184,253	25,515,500,000	5.8%	26.7%	1.508%
4	Sabmiller	South Africa	22,742,591,957	24,288,500,000	5.5%	32.2%	2.010%
5	MTN Group	South Africa	20,055,824,289	18,689,900,000	4.2%	36.4%	2.513%
6	Sasol	South Africa	24,608,971,583	17,702,300,000	4.0%	40.4%	3.015%
7	Standard Bank Group	South Africa	17,975,293,664	11,985,300,000	2.7%	43.1%	3.518%
8	Anglo Platinum	South Africa	26,341,473,569	10,571,200,000	2.4%	45.5%	4.020%
9	Anglogold Ashanti	South Africa	12,410,609,169	10,074,500,000	2.3%	47.8%	4.523%
10	Firstrand	South Africa	17,181,773,615	8,424,400,000	1.9%	49.7%	5.025%
11	Compagnie Financière Richemont SA	South Africa	11,824,327,000	7,960,500,000	1.8%	51.5%	5.528%
12	Impala Platinum	South Africa	13,900,068,396	7,888,400,000	1.8%	53.3%	6.030%
13	Orascom Telecom	Egypt	14,449,550,300	7,080,279,647	1.6%	54.9%	6.533%
14	Gold Fields	South Africa	9,245,549,784	6,630,900,000	1.5%	56.4%	7.035%
15	Absa Group	South Africa	11,544,413,086	6,564,700,000	1.5%	57.9%	7.538%
16	Naspers	South Africa	7,434,294,859	6,374,400,000	1.4%	59.3%	8.040%
17	Itissalat Al Maghrib	Morocco	13,380,053,421	5,352,021,368	1.2%	60.5%	8.543%
18	Kumba Resources	South Africa	2,463,574,722	4,919,700,000	1.1%	61.6%	9.045%
19	Telkom South Africa	South Africa	11,171,271,155	4,919,700,000	1.1%	62.8%	9.548%
20	Harmony Gold Mine	South Africa	4,525,172,212	4,845,000,000	1.1%	63.9%	10.050%

To bring balance to the statistics, a further list of companies is presented here which excludes all South African companies, and represents 80% by market capitalisation as a benchmark value, and ranked by all listed companies in Africa including South Africa:

Rank	Company	Country	Apr-08	Jan-09	% of Total	Pareto	Pareto Count
13	Orascom Telecom	Egypt	14,449,550,300	7,080,279,647	1.6%	54.9%	6.533%
17	Itissalat Al Maghrib	Morocco	13,380,053,421	5,352,021,368	1.2%	60.5%	8.543%
23	Orascom Construction	Egypt	9,623,121,722	4,137,942,340	0.9%	66.8%	11.558%
30	Attijariwafa Bank	Morocco	5,217,087,913	2,608,543,957	0.6%	71.8%	15.075%
43	Vodafone Ltd	Egypt	3,955,093,741	1,700,690,309	0.4%	77.6%	21.608%
44	Douja Prom Addoha	Morocco	4,458,535,094	1,694,243,336	0.4%	78.0%	22.111%
45	Telecom Egypt	Egypt	4,225,115,939	1,690,046,376	0.4%	78.3%	22.613%
48	Mobinil-Egyptian Mobile	Egypt	3,157,189,344	1,610,166,565	0.4%	79.5%	24.121%
55	First Bank Nigeria	Nigeria	2,619,627,206	1,336,009,875	0.3%	81.8%	27.638%
57	Omnium Nord Africain	Morocco	3,142,190,182	1,256,876,073	0.3%	82.4%	28.643%
62	Banque Marocaine Com	Morocco	2,332,274,428	1,119,491,725	0.3%	83.7%	31.156%
64	Suez Cement	Egypt	2,083,735,495	1,062,705,102	0.2%	84.2%	32.161%
65	Nigerian Breweries	Nigeria	2,101,909,106	1,050,954,553	0.2%	84.5%	32.663%
70	El Ezz Aldekhela Steel	Egypt	2,291,782,816	1,008,384,439	0.2%	85.6%	35.176%
72	Soc Les Ciment Du Maroc	Morocco	2,062,258,756	969,261,615	0.2%	86.1%	36.181%
73	EFG-Hermes	Egypt	2,042,756,268	960,095,446	0.2%	86.3%	36.683%
76	Societe Lafarge-Ciments	Morocco	2,133,421,330	938,705,385	0.2%	86.9%	38.191%
79	Sidi Kerir Petrochemicals	Egypt	2,080,883,515	894,779,911	0.2%	87.6%	39.698%
80	Bank of Alexandria	Egypt	2,004,838,678	882,129,018	0.2%	87.8%	40.201%
81	Soc Nationale D'Investissement	Morocco	1,793,521,696	878,825,631	0.2%	88.0%	40.704%
84	Egyptian Iron and Steel	Egypt	1,833,659,240	861,819,843	0.2%	88.5%	42.211%

Rank	Company	Country	Apr-08	Jan-09	% of Total	Pareto	Pareto Count
93	Union Bank Nigeria	Nigeria	1,592,429,379	732,517,514	0.2%	90.1%	46.734%
94	Credit Agricole Egypt	Egypt	1,413,329,136	720,797,859	0.2%	90.3%	47.236%
96	Orascom Projects	Egypt	1,456,574,694	713,721,600	0.2%	90.6%	48.241%
97	Zenith Bank International	Nigeria	1,686,903,368	708,499,415	0.2%	90.8%	48.744%
98	Sonatel	Senegal	1,760,801,842	686,712,718	0.2%	90.9%	49.246%
105	Barclays Bank Kenya	Kenya	1,494,808,453	642,767,635	0.1%	92.0%	52.764%
110	National Societe Generale	Egypt	1,562,366,424	624,946,570	0.1%	92.7%	55.276%
111	Eastern Tobacco	Egypt	1,348,928,689	620,507,197	0.1%	92.8%	55.779%
112	Transnational Corporation	Nigeria	1,344,265,209	618,361,996	0.1%	93.0%	56.281%
115	Alexandria Mineral Oil Co (AMOC)	Egypt	1,172,367,550	586,183,775	0.1%	93.4%	57.789%
116	Abu Kir Fertiliser	Egypt	1,127,731,907	575,143,273	0.1%	93.5%	58.291%
117	Bamburi Cement	Kenya	1,115,653,380	557,826,690	0.1%	93.6%	58.794%
118	Intercontinental Bank	Nigeria	1,088,213,858	554,989,068	0.1%	93.8%	59.296%
121	West Africa Portland Cement	Nigeria	1,132,421,240	543,562,195	0.1%	94.1%	60.804%
122	Banque Centrale Populaire (BCP)	Morocco	1,294,092,352	543,518,788	0.1%	94.3%	61.307%
124	Guinness Nigeria	Nigeria	1,188,458,466	534,806,310	0.1%	94.5%	62.312%
127	East African Breweries	Kenya	1,309,541,052	510,721,010	0.1%	94.8%	63.819%
128	Commercial International Bank	Egypt	1,309,435,514	510,679,850	0.1%	95.0%	64.322%
130	United Bank for Africa	Nigeria	1,333,297,987	506,653,235	0.1%	95.2%	65.327%
132	Egypt Aluminium	Egypt	1,175,308,523	470,123,409	0.1%	95.4%	66.332%
133	Oceanic Bank	Nigeria	1,069,514,913	459,891,413	0.1%	95.5%	66.834%

Rank	Company	Country	Apr-08	Jan-09	% of Total	Pareto	Pareto Count
134	Kenya Electricity Generating	Kenya	919,299,704	459,649,852	0.1%	95.6%	67.337%
136	Soc Anonyme Marocaine	Morocco	1,155,225,810	438,985,808	0.1%	95.8%	68.342%
137	First National Bank Botswana	Botswana	884,633,155	433,470,246	0.1%	95.9%	68.844%
138	Guaranty Trust Bank	Nigeria	1,083,420,362	433,368,145	0.1%	96.0%	69.347%
139	Societe Nationale	Morocco	948,827,041	426,972,168	0.1%	96.1%	69.849%
140	Nestle Nigeria	Nigeria	926,599,108	426,235,590	0.1%	96.2%	70.352%
143	Credit Du Maroc	Morocco	930,013,753	418,506,189	0.1%	96.5%	71.859%
144	Banque Intl Arabe de Tunisie (BIAT)	Tunisia	487,898,184	407,262,225	0.1%	96.6%	72.362%
145	Societe Holcim (Maroc)	Morocco	999,506,370	399,802,548	0.1%	96.7%	72.864%
146	Standard Chartered Bank Kenya	Kenya	797,082,942	398,541,471	0.1%	96.8%	73.367%
148	Banque de Tunisie	Tunisia	536,694,110	385,446,299	0.1%	96.9%	74.372%
149	Mauritius Commercial Bank	Mauritius	784,252,429	384,283,690	0.1%	97.0%	74.874%
150	Flour Mills Nigeria	Nigeria	751,502,544	383,266,297	0.1%	97.1%	75.377%
152	Standard Chartered Bank Botswana	Botswana	747,816,357	381,386,342	0.1%	97.3%	76.382%
153	El Ezz Steel Rebars	Egypt	790,649,743	379,511,877	0.1%	97.4%	76.884%
155	Barclays Bank Botswana	Botswana	893,135,561	366,185,580	0.1%	97.5%	77.889%
156	Ecobank Nigeria	Nigeria	809,488,746	364,269,936	0.1%	97.6%	78.392%
158	Ban Marocaine Du Comm	Morocco	907,573,691	353,953,739	0.1%	97.8%	79.397%
159	Kenya Commercial Bank	Kenya	687,716,950	350,735,645	0.1%	97.9%	79.899%

Information on unlisted companies is not generally available in public domain and difficult to verify as reporting standards across the continent are not standardised. Nevertheless, it would be remiss to ignore some of the largest and most successful African companies even if they do not appear in our charts. For example, the largest, in terms of revenues, is Algeria's Sonatrach. In 2006, revenue was in excess of $60bn and given the steep rise in the price of crude, 2007 revenue is expected to be around $80bn. By way of contrast, revenue figures for our table leader, Anglo American, is $36bn and Sasol comes in at $15bn. A similar rationale would apply to most other state-owned companies involved in the oil and gas sectors in countries like Libya, Angola, Cameroon, Gabon and Nigeria. There is little doubt that if these organisations were privatised they would occupy high places in our chart since most generate revenues in excess of $1bn.

There are also still many companies in private hands, huge conglomerates that have grown through the generations but which have been apprehensive of opening up their books to private equity or to public listings. This class includes conglomerates, hotel groups, retail, manufacturing and insurance groups all of which are generating substantial revenues and earnings. Algeria's Cevital is a prime example.

A billion consumers

Billion is such a large number, that it is difficult to stretch the imagination and grasp the significance. Whenever the population of China is quoted as having a population of 1.3 billion people, or India 1.1 billion then it is a noble thought to imagine just how many people this really is – but it comes as a surprise to many when they realise that Africa's population is nearly a billion people. In every country, private consumption accounts for the larger share of gross national product (GNP) – bigger than that of government, of exports and exports. In almost every country the share of GNP spent on consumption is more than half of total GNP.

In Africa, where countries are badly ground down by poverty, most of this consumption is of unprocessed food and barely processed textiles and is of little interest to any sizable or modern multinational companies. Yet, as multinational companies were a driving force in Eastern Europe's post-communist transition, bringing new skills, technology, training, and better working conditions the same phenomena are emerging in Africa. In Eastern Europe, they saved the banking systems, modernized telecommunications networks, rebuilt ailing industries, raised the quality of goods, and undermined the cosy vested interests that had robbed ordinary citizens for decades. These same phenomena are unfolding in Africa bringing similar benefits. Sub-Saharan Africa, where a legacy of colonialism, apartheid, and economic mismanagement created a similar business environment. Contrary to Eastern Europe which was uniquely positioned to benefit from multinational companies: its workforce was well educated, especially in engineering and sciences, and was thus able to avoid the classic "low-skills, low-wage" trap. Africa is different.

In countries like South Africa, Namibia, and Zimbabwe, multinational companies may look very different. Western governments were typically indifferent, if not hostile, to African liberation movements. Their big corporations helped entrench racist regimes with notorious contract-labour systems. African countries often see the worst sides of multinationals: energy, mineral, and precious metal companies go where resources are, not where it's pleasant to work but to get the assets out of the ground and out of the country as cheaply and with as little fuss as possible. The customer is abroad, and there is little processing to be done in Africa so why should companies upgrade local skills or otherwise help the host economy?

But Africa's potential relationship with global corporations need not be as skewed. Sensible micro and macroeconomic policies where partnerships may be joined and mutual benefits resulting in a win-win business relationship to trap economic availability moulding a market which can benefit the multinationals in time, and the Africa immediately.

Coca-Cola, the icon of multinational giants has relocated its Africa group head office from Windsor in the UK to Johannesburg, a move seen as a clear signal of the company's commitment to the African market. The Coca-Cola Company first entered Africa in 1928 with a beverage manufacturing plant based in South Africa. Since 2000 the company and its bottling partners have invested more than U$600-million in plants, manufacturing and distribution across the continent. Coca-Cola has 60 000 associates who make up the Coca-Cola System in Africa and bring its leadership closer to customers, suppliers and business partners. Coke's success in Africa has been due to its brand of advertising as well as its ubiquitous involvement in local community life.

South Africa is by far Coca-Cola's largest market in Africa, two-and-a-half times that of the second biggest, Nigeria. It makes up 40% of the company's African revenue. In 2005, Coca-Cola's South African turnover grew by 8% to 10% – a higher rate than GDP, which stood at 4.9% at that time. Coca-Cola supplies the cabins to traders who sell its products, just as it might provide promotional umbrellas to outdoor cafés in Paris. According to company statistics, Coca-Cola sells an average of 235 beverages, of all products, to each man, woman and child in South Africa every year – a rough total of over 10-billion units. The world per capita average is 77 units.

Even in the remotest villages on the Angolan border, where Ovambo people live in stick huts, electricity is in short supply, and villagers trek miles each day to fetch firewood and water, a bottle of Coke or Fanta is easy to find. Coke signs are installed in every shop and most roadside stands, but more importantly, Coke has taken the initiative to reach poorer people in rural areas as well. To this end it has initiated sports sponsorships, sports development, entrepreneurial development, scholarships and education projects and wide initiatives to fight the scourge of HIV/Aids.

Drawing benefits from global companies doesn't always require high-level government negotiations. Consider Katatura, a shantytown on the outskirts of Windhoek into which the former apartheid regime forced tens of thousands of blacks in the 1950' and 1960s. The district is poor by any reckoning, with 100,000 people crammed into shabby corrugated iron and tarpaulin-covered huts along miles of dirt pathways and hillsides. Yet every year, new brick houses, some quite substantial, emerge among the hovels. This may look destitute to Western eyes, but small business is developing out of these humble beginnings. Electricity connections are now available and this will lead to refrigerators a much needed appliance because in the heat of this country storage of fresh food is a real problem and this added advantage is also available for small food stores where Namibia Beverages, the local bottling operation of Coca-Cola, is answering the call with sturdy iron cabins that are spacious, portable, and easily secured. Electricity has arrived, and its availability is a precious commodity in this desert land where real people live.

Unilever, the multinational food, soap-suds and personal-care giant has been selling soap in Africa for over a century. It incorporated its first company on the continent in 1904. From the 1920s until it dismantled it in the early 1990s, Unilever dominated trade in places such as Nigeria and Ghana through the West Africa Company, which would sell you anything from washing powder to trucks. These days, Unilever Africa is a significantly more focused company. Eschewing the rather patronising definitions of Africa used by most multinationals, it defines its market as sub-Saharan Africa, and their sales in that market are steadily growing, due to their unique understanding of how the African market operates, and the intrinsic requirements of the African customer. Unilever's already strong position in "black Africa" – where it is the number one in laundry, skin and oral care, deodorants, spreads and cooking products, and captures a better share of the customers purse in Africa than it does in any other market it operates in. Unilever has undoubtedly recognised the three distinct faces of the African consumer – upmarket, midmarket and the poorest sector – to achieve their astounding success in products which its competitors consider unsuitable for Africa.

Selling to the hundreds of millions who survive on less than $1 a day is a tactic that few, if any, of its rivals would dare attempt. Two strategies stand out in this battle for thin wallets. The first is the "small unit packs/low unit price" concept. This was developed initially at Hindustan Lever, the giant Indian company quoted on the Mumbai stock exchange, where Unilever has a controlling 51 percent. What you do is package, say, washing powder or margarine in small sachets and sell them for less than the equivalent of 10 US cents a packet. Unilever has developed a refined version of the technique of moving consumers up the value chain. The idea is that once a poor African buys a ten cent pack of washing powder, they could well go for a larger pack when they become more affluent. This strategy also stops local traders buying a 1kg pack and selling the powder in bags from a stall. They have found that loyalty of poor consumers to a brand is at least as strong as a more affluent one. Cost effective distribution through small outlets is the way the products are moved.

Unilever are now migrating other products, such as bouillon cubes and instant soups into the same size/cost category. UNICEF are also backing this company in marketing basic foods enriched with iodine, vitamin A, iron, zinc and other micronutrients. Their Africa footprint in this new marketing guise is steadily growing where they are looking to create a 1bn market segment in basic food. To keep costs down, Unilever (like Coca-Cola) are using third-party manufacturers to avoid additional cost of capital and have the products available at or near the market.

The message is clear to Africa's poor: Unilever is ready to treat you just like any other consumers, but you have to pay your way.

Conversely, Unilever accepts that to deal in Africa is not only different, but is a two way street and are committed to corporate social responsibility on numerous fronts.

High in the Kenyan hills, 120 miles north-west of Nairobi, Unilever's commitment to corporate social responsibility faces one of its sternest tests. There, surrounding the small town of Kericho, its subsidiary, Brooke Bond East Africa, owns Kenya's largest tea plantations, producing just over 10 percent of the country's tea exports. But that is not all. It employs 18,000 people in Kenya and another 6,000 in Tanzania, and these workers have about 100,000 dependants. In Kericho, the company provides 22 primary schools, supports a clutch of secondary schools, and owns 17,000 homes, two hospitals, four health centres and three hydroelectric power stations. It also buys tea from over 300 small-scale farmers in the area and processes it at its factory. By virtue of being the largest and longest-standing employer – Brooke Bond has been in Kenya since 1925 – it is, to all intents and purposes, Kericho. By default these actions are long term, and carry huge responsibilities. Africa, once again, is unlike any other continent, but the bitter also brings the sweet savour of making a difference when you see the worker catching the fish, having showed him how.

With their distribution power and recalibrating their knowledge of the market, multinational companies' influence could surely be leveraged to address many development problems, regardless of a country's political or economic legacy.

Africa's challenge is that development groups, governments, consumers, and small entrepreneurs need only work out initiatives that embody their common interests with global fims.

"In an ideal world, we would not be running a town of 18,000 people," admits the head of marketing for Unilever's food side.

Agriculture

Growing the staff of life

Africa is a continent where agriculture plays a major role in the lives of its people. From Cairo to the Cape, tilling the soil to grow crops, or herding livestock, is a feature of daily life, and six out of every ten people are involved in agriculture in one way or another. Agriculture accounts for very nearly 40% of Africa's GDP. However, much of the agricultural activity is of a subsistence nature by smallholder farmers, who are extremely vulnerable to severe weather events and generally subject to unacceptably low productivity. This is not sustainable. Vastly improved methods of land utilisation, animal husbandry and crop production are becoming critical, driven by the shortage of food for nearly one billion people.

Countries like Burundi, Rwanda, Malawi, Ethiopia and Burkina Faso are still overwhelmingly rural, whereas in Djibouti and Gabon more than 80 percent of the country's population lives in urban areas. In the last decade, some countries have witnessed a rapid growth in urbanisation. Nigeria, the most populous country in sub-Saharan Africa (Lagos is the fastest growing mega-city in the world with an estimated population of 17 million by 2015), has seen the proportion of people living in urban areas grow from 44 to 52 percent in 10 years. Urban growth, often reflecting sizeable migration flows from rural areas, presents daunting challenges for development, as inflows of migrants into the cities have to be provided with access to land, infrastructure and basic services – and especially food.

Some economies are still predominantly based on agriculture, including major African economies like Ethiopia. At the opposite end of the spectrum, agriculture represents less than 10 percent of GDP in Botswana, Seychelles, South Africa, Mauritius, Angola, Gabon and Namibia.

In 2007, the Intergovernmental Panel on Climate Change reported that by 2020, in some countries, yields from rain-fed agriculture could be reduced by up to 50 percent. Agricultural production, including access to food, in many African countries is projected to be severely compromised. This would further adversely affect food security and exacerbate malnutrition. This is especially true because of the rate of urbanisation reflected in Africa's demographic profile. For Africa, this will be particularly cruel. Researchers note that agriculture contributes between 10 and 70 percent of GDP across the continent – which is a huge variance far removed from equilibrium.

Conservation agriculture (CA) is one way to view the future of agriculture in Africa. CA is not 'business as usual'. It is based on maximizing yields while exploiting the soil and agro-ecosystem resources in a sustainable manner. CA is based on optimising yields and profits, to achieve a balance of agricultural, economic and environmental benefits. It advocates that the combined social and economic benefits gained from combining production and protecting the environment, including reduced input and labour costs, are greater than those from production alone. With CA, farming communities become providers of more healthy living environments for the wider community through reduced use of fossil fuels, pesticides, and other pollutants, and through conservation of environmental integrity and services.

Conservation agriculture is the integration of ecological management with modern, scientific, agricultural production. Conservation agriculture employs modern technologies that enhance the quality and ecological integrity of the soil, but the application of these is tempered with traditional knowledge of soil husbandry gained from generations of successful farmers. This holistic embrace of knowledge, as well as the capacity of farmers to apply this knowledge and innovate and adjust to evolving conditions, ensures the sustainability of those who practice CA. A major strength of CA is the step-like implementation by farmers of complementary, synergetic soil husbandry practices that build to a robust, cheaper, more productive and environmentally friendly farming system. These systems are more sustainable than conventional agriculture because of the focus of producing with healthy soils. In at least 20 countries, more than 70 percent of the labour force works in agriculture. Crop production and livestock husbandry account for about half of household income. The poorest and most vulnerable members of society are those who are most dependent on agriculture for jobs and income. Average agricultural value added per worker is low in many countries, reflecting a low degree of mechanization and limited penetration of improved seeds and inputs such as fertilisers. Slash and burn methods must go, and new thinking needs to be introduced as soon as possible to those areas where the ecology is harmed by traditional methods where sustainability is but a word without significance.

Organic farming (using this in the broadest sense) will only fit where affluent markets for agricultural products are available, and the cost stream is able to absorb the long supply line efficiently, and the future carbon credits may be offset in an elegant way to benefit the farmers.

> There is a place for organically grown food, but it cannot solve the larger problem of feeding the masses…
>
> Dr. John L. Purchase

Conservation agriculture promotes sustainability, minimal disturbance of the soil by tillage (zero tillage is the benchmark), balanced application of chemical inputs (only as required for improved soil quality and healthy crop and animal production), and careful management of residues and wastes – which also improves quality of life as a by-product. As land and water pollution is reduced and soil erosion curtailed, long-term dependency on external inputs will decrease.

> Their sword will become our plough, and from the tears of war the daily bread of future generations will grow.
>
> Arthur Wellesley, Duke of Wellington

Enhanced environmental management improves quality and elevates the use of water to levels of efficiency not known under subsistence methods. Greenhouse gas emissions through reduced use of fossil fuels in CA are a bonus. Conservation agriculture, including agro-forestry, specialty crops, and permanent cropping systems, promotes food security, poverty reduction, and value added production. Improved crop and animal production, and production in relation to market opportunities become the main drivers.

Looking ahead, an important point is that efficiency comes by "harvesting" and conserving soil moisture in land preparation, using the right amount and type of fertiliser according to soil analysis, planting the right variety at the right time at the correct seeding rate in the correct manner, as well as practising effective weed and pest/plant disease control. Conversely, harvesting and post-harvest technologies are also critical to preserve and protect the crop/produce from losses. These are some of the main factors that come into play, whereby reduced tillage lessens human inputs. Efficiency and hence productivity is attributable to a host of factors and technologies that have to be skilfully combined and implemented to ensure a productive, profitable and competitive end product. Similar principles apply for animal husbandry.

Community driven development processes whereby local communities and farmer associations identify and implement the best options for CA in their location have been found to be the best approach elsewhere in the world, and should be no different in Africa. Local, regional and national farmer associations (cooperatives), working through community workshops and farmer-to-farmer training, is an effective approach with technical backing from conservation professionals and extension officials. These are the main players in the promotion of CA. The time to balance capital-equity and sweat-equity has arrived, and the opportunity to mould this into a homogenous whole offers a future growth in nutrition and labour empowerment which, if viewed in the spirit of cooperation, will benefit this great continent and be a stepping-stone to equilibrium and peace. This may be an optimistic view, but where there is hunger, there can never be peace – conversely, it is difficult to suppress a well-fed population.

During August 2008, the third African Green Revolution Conference (AGRA)[7] was held in Oslo, Norway. "Alliance for Action" was the theme for the dialogue that zeroed in on public-private partnerships, food security, improved financing and the continuing process to transform Africa's agricultural landscape from subsistence farming to sustainable modern agriculture.

The chairman exhorted all stakeholders from ten countries; which included ministers of agriculture and finance and government officials; to pull together and change Africa without begging charity. With concerted effort, Africa can change by producing and expanding its agricultural production

[7] Mr. Kofi Annan, Secretary-General, United Nations (1997-2006) and Member of the Foundation Board of the World Economic Forum is patron to and chairman of the board for AGRA.

and improve market access. The role of the smallholder farmer was among the key themes in the plenary sessions at the conference. At the conference, Malawi's president Bingu wa Mutharika delivered the keynote address, reflecting the success story that Malawi has become since the advent of the Green Revolution in Africa. He described the impressive increases in agricultural output over the past three growing seasons that have shown promise to turn Malawi into a "hunger-free" country.

These initiatives and others need support to transform Africa in the field of agriculture where the indigenous farming community will find their place in the sun, and eradicate hunger.

The AGRA foundations have been laid, and numerous other initiatives are underway.

Climate change

In 1896, Svante Arrhenius (1903 Nobel Prize in Chemistry) predicted the decrease in CO_2 needed to cause past ice ages. He wasn't far off, and it is not a large decrease. This helped confirm the 1859 prediction that human-produced increases in CO_2 would cause just the reverse: global warming.

However, CO_2 is but one of a combination of gases in the atmosphere, which absorbs thermal infra-red radiation emitted by the Earth's surface, the atmosphere and clouds e.g. water vapour, carbon dioxide (CO_2) methane (CH_4) and nitrous oxide(N_2O).

Africa is a continent of ruminates.

Each year, around the same time the 'Great Wildebeest Migration' begins in the Ngorongoro area of the southern Serengeti of Tanzania, in a natural phenomenon determined by the availability of grazing. It is January to March when the calving season begins, a time when there is plenty of rain ripened grass available for the 1.8 million wildebeest occupying this vast area.

The wildebeest (also called the gnu) is an antelope of the genus Connochaetes. It is a hooved (ungulate) mammal. Wildebeest are well known for their annual migration to new pastures. Many wildlife documentaries have featured this event, which displays literally millions of wildebeest crossing rivers in a frantic charge to reach their grazing country dying in large numbers as they attempt to reach the other side, many of which are eaten by crocodiles. While it is commonly assumed that this is simply frenzy and that the wildebeest cross blindly, recent research has shown a herd to possess what is known as a "swarm intelligence", whereby the wildebeest systematically explore and overcome the obstacle as one.

Wildebeest are ruminates and as ruminates do, discharge huge amounts of methane in digesting the grass ingested in their travel to the best pasture.

Add to this populous specie the millions of wild ruminates roaming free on the African savannas, and cap this with millions of privately owned cattle considered an icon of wealth in Africa, then the methane gas produced is of enormous proportions.

Methane is the second most abundant carbon compound in the atmosphere and it is odourless. Current measurements place about 2 ppm of methane in the atmosphere, significantly less than CO_2. However, since it is 10 times more efficient on a molecule per molecule basis in trapping heat, it is of concern. In light of this we can assume that one molecule of methane is doing 10 times the damage of one molecule of CO_2. So besides the greenhouse gas produced by burning fossil fuel, nature is producing enormous amounts of natural pollutants.

Africa represents only a small fraction, 3.6%, out of the total carbon dioxide (CO_2) emissions per year, yet 14% of the population of the world lives here. The emissions per inhabitant in Libya, the Seychelles and South Africa are on the level of the lowest among OECD countries with the other African countries trailing lower behind them. Regionally, emissions (both per capita and in total) are at their highest in North Africa and in the country of South Africa.

CO_2 Emissions from electricity generation is easily measurable, and the following table represents Africa's contribution to this:

Region	2000 (mt)	2007 (mt)	2017 Estimate (mt)
Africa	269 242 866	335 129 300	537 072 449
Africa %	3.16%	2.93%	3.04%
Other countries	8 252 393 621	11 103 627 847	17 115 922 845
Other countries %	96.84%	97.07%	96.96%

A wider comparison reveals that globally 12 countries contribute to 80% of CO2 Emissions from electricity generation:

Country	Emissions 2007	Cumulative %
China	27%	27%
United States	25%	52%
India	6%	58%
Russia	4%	62%
Germany	4%	65%
Japan	4%	69%
United Kingdom	2%	71%
Australia	2%	73%
South Africa	2%	75%
South Korea	2%	77%
Poland	2%	78%
Canada	2%	80%

More than $45 trillion in green-energy systems is what the world needs over the next 30 years to avoid global catastrophe, according to the International Energy Agency.

Under scrutiny, the prognosis is not good, in that power stations are being upgraded to meet future demand and there is no visible evidence that mitigating action to stabilize and ultimately reduce concentrations of greenhouse gas or to employ new technologies, such as carbon sequestration, to capture carbon dioxide and other greenhouse gas emissions before they are released into the atmosphere is in line of sight for the production of electricity using fossil fuel. Research though is in an advanced stage, but the costs are prohibitive, especially in developing countries.

Fossil fuels will remain the mainstay of world energy production well into the 21st century. Coal, for example, is abundant, comparatively inexpensive, and geographically diverse. The International Energy Agency estimates that overall world coal use will increase by about 50 percent between now and 2030, and by nearly 67 percent for power generation, mostly in developing countries. Technological improvements are being introduced to have cleaner fossil fuel power stations. For example, construction has begun on South Africa's cleanest coal-fired power station. Designed with state-of-the-art technology, Kusile Power Station (near Witbank - 4 800 MW) will be the first in that country to cut sulphur dioxide emissions. This R80 billion (US$8 billion) power station will be built with flue gas desulphurisation (FGD) technology. This technology will cost an additional 6% for the design which will remove sulphur dioxide to combat acid rain in the area where most of that country's power stations are situated. This technology does not however reduce green house gas emissions.

But then, there is solar energy. It is hypothesised that a single solar farm in the Sahara desert could provide clean electricity for all of Europe. Scientists are investigating solar farms in the Sahara, as part of a $62 billion plan to provide all green power for a new, carbon-neutral European super-grid.

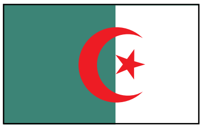
Country review

North Africa

The economic profile of all African countries follows, presented by region.

North Africa is economically linked with the Middle-East Region (MENA). In recent years this partnership has resulted in higher economic growth accompanied by favourable job creation opportunities and declining unemployment. For this performance to be sustainable it needs to be supported by deeper structural reforms in countries of the MENA region. In this study, MENA is excluded, and country specific information is addressed.

Algeria



Outside of oil and gas production, the contribution of tourism is steadily growing and is expected to rise from 4.3% of GDP in 2009 to 5.0% by 2019. The contribution of the travel and tourism industry to employment is expected to rise from 362,000 jobs in 2009, 3.8% of total employment or one in every 26.3 jobs to 539,000 jobs, 4.4% of total employment or one in every 22.7 jobs by 2019. Real GDP growth for Algeria's travel and tourism industry is expected to average 6.0% per annum over the coming 10 years. Export earnings from international visitors and tourism goods are expected to generate 7.7% of total exports in 2009. Algeria is ranked 66 in absolute size worldwide[8].

[8] According to the World Travel & Tourism Council.

Algeria	
General information	
Key languages	Arabic, Berber and French
Major religion	Muslim
Capital	Algiers
Population	33.9 m
Land area	2,381,741 km²
Population density (people/km²)	14
Adult literacy rate	72.00%
Life expectancy at birth	72 years
Key economic data	
GDP	US$ 115.5 bn
GDP per capita	US$ 3,407
PPP GDP per capita	US$ 7,320
Average Real GDP growth 2000-06	5.00%
Currency	Algerian Dinar
Inflation	4.40%
Exports	US$ 54,700 m
Imports	US$ 20,700 m
Main destinations of exports	Italy, US, France, Spain
Main sources of imports	France, Italy, Spain, Germany
Foreign direct investment	US$ 882 m
Tax indicators	
Effective company tax rate	72.60%
Public expenditure on education (% of GDP 2001-05)	0.00%
Physicians per 100,000 people	113
HIV prevalence	0.10%
Capital formation/GDP ratio	26.00%
Contribution to GDP by agriculture	9.70%
Key exports	Crude oil, natural gas, condensate, refined products
Key imports	Capital goods, food, intermediate goods, consumer goods

Algeria	
Energy	
Power stations	82
GwH 2007	33 400
Intensity 2007	989
Fossil 2007	95.69%
Hydro 2007	1.65%
Renewable 2007	2.56%
Electricity consumption per capita	1,050 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	416
Fixed telephone lines per 1000 people	78
Internet penetration % of population	10.4%

Egypt

The Egyptian economy is rising. Responding to local investors' long-running push to introduce a broader index to the Egyptian Stock Exchange, in March 2009 the newly formed EGX 70 was launched to complement the traditional benchmark EGX 30, formerly known as the CASE 30.Many market players, mostly local retailers and institutions, had long been calling for an index that displayed the performance of companies with smaller capitalizations than those listed on the EGX 30. The new index includes the 70 most actively traded companies — excluding those on the EGX 30 — irrespective of size or market capitalization. The value of the index is calculated using the shift in the closing prices of the listed stocks. The index's constituents are strewn across a variety of industries. Suez Cement, Eastern Tobacco, Pyramisa Hotels, Nile Matches and Cairo Poultry are all listed. Included stocks will be reviewed twice per year and removed if they have not been traded in large enough volumes or frequently enough. The introduction of the price index came as part of an ongoing attempt to modernize and upgrade the exchange's facilities and services. The new exchange should be useful to all investors in the market as the 70 newly listed companies in conjunction with the 30 in the old benchmark will comprise the vast majority of trading. Much of the exchange's activity is concentrated in the top listings; the most active 10 constitute about 60 percent of the total volume and value traded.

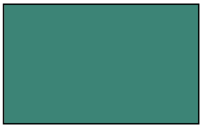
Poor people generally do not own shares. But Egypt's ruling party has proposed plans to distribute stocks of publicly owned companies to all Egyptians. Anyone over the age of 21 will receive coupons they can exchange for shares. Rich and poor alike would be invested in the stock market.

Egypt	
General information	
Official language	Arabic
Other key languages	English
Major religious groups	Sunni Muslim, Christian
Capital	Cairo
Population	75.4 m
Land area	1,001,449km²
Population density (people/km²)	75
Adult literacy rate	61.00%
Life expectancy at birth	71 years
Key economic data	
GDP	US$ 107.9 bn
GDP per capita	US$ 1431
PPP GDP per capita	US$ 4,954
Average Real GDP growth 2000-06	4.00%
Currency	Egyptian Pound
Inflation	7.60%
Exports	US$ 20,500 m
Imports	US$ 33,100 m
Main destinations of exports	Italy, US, UK, France
Main sources of imports	US, Germany, Italy, France
Foreign direct investment	US$ 1.2 m
Effective company tax rate	47.90%
Public expenditure on education (% of GDP 2001-05)	0.00%

Egypt	
Key economic data (cont.)	
Physicians per 100,000 people	54
HIV prevalence	<0.1%
Capital formation/GDP ratio	17.00%
Contribution to GDP by agriculture	15.60%
Key exports	Petroleum & products, aluminium, iron, steel, raw cotton, yarn, textiles & garments, pharmaceuticals
Key imports	Intermediate goods, capital goods, petroleum, consumer goods
Energy	
Power stations	110
GwH 2007	101 000
Tons CO2 2007	3 800 330
Intensity 2007	825
Fossil 2007	83.59%
Hydro 2007	11.97%
Renewable 2007	0.79%
Electricity consumption per capita	1627 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	184
Fixed telephone lines per 1000 people	140
Internet penetration % of population	10.5%
Tax indicators	
Companies:	
Company tax: Resident companies	20% on their worldwide profits (unless they are the Suez Canal Authority, the Egyptian Petroleum Authority, the Central Bank of Egypt, and oil and gas exploratory and production companies.
Company tax: Non-resident companies	20% on profits realised in Egypt.
Secondary Tax on Companies (STC)	n/a

Egypt	
Tax indicators (cont.)	
General sales tax	Generally 10% (unless specific rate or exemption is given in the law)
Value-added tax	N/a in Egypt. However there is a draft VAT law currently going through the people's assembly, and it is expected to be enacted by the end of 2008.
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	20.00%
Basis of taxation	To be liable to income tax in Egypt an individual must either physically work in Egypt and receive remuneration from overseas, or receive remuneration from an Egyptian source for work performed overseas.
Withholding tax:	
Interest	20% - subject to DTT rates
Dividends	0.00%
Royalties	20% - subject to DTT rates
Exchange controls	Do not exist
Double tax treaties	Exist – approx 54 countries at most recent count

Libya



Petroleum accounts for 95% of export earnings and about a third of national income; Libya is also an important producer of natural gas. What is less known is that Libya has a thriving agrarian profile with major crops which include cereals, olives, fruits, dates, and vegetables.

At various times in its history, the territory that is now Libya was occupied by Carthage, Rome, Arabia, Morocco, Egypt, and Spain. It was part of the Ottoman Empire from 1551 to 1911, serving in the 18th century as a base for pirates who, in return for immunity, provided large revenues to the local ruler. Libya was seized by Italy in 1911, but Libyan resistance continued until the 1930s. During World War II, as an Italian colony, it was one of the main battlegrounds of North Africa, passing under an Anglo-French military government when the Axis was defeated in the area in 1943. In 1951 the country became independent.

Libya is a member of OPEC. According to the World Bank, the country's hydrocarbon exports account for more than 95% of total merchandise exports and revenues from this sectors amount to over half of the country's GDP. Since 1999 oil prices were on average high with Libyan oil export revenues increasing sharply to around US$40bn.

proven oil reserves estimated at 41.5bn bbl provide considerable potential to raise output. Large tracts of Libyan territory have yet to be explored, with only a relatively modest amount of territory so far licensed to international companies. This suggests scope for significant and sustained reserves upgrades over the longer term. The main customers for Libyan crude are Italy, Germany and France, and now include the US.

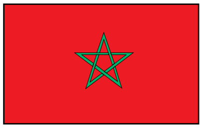
Similarly, Libya is rich in natural gas, with 1,320bcm of proven reserves that provide some 15bcm of annual output. Most gas is exported by pipeline, with limited volumes of LNG. Libyan gas exports to Europe are increasing rapidly, with the Western Libyan Gas Project (WLGP). It cost around US$6.6bn to lay this 32-inch diameter, 370 mile 'Greenstream' underwater gas pipeline which has been in operation since October 2004. Currently 8bcm of gas is being exported from a processing facility at Melitah, on the Libyan coast, via Greenstream to south-eastern Sicily and on to Italy.

Libya	
General information	
Official language	Arabic
Other key languages	English, French
Major religious groups	Sunni Muslim, Christian
Capital	Tripoli
Population	6.2 m
Land area	1,759,540 km²
Population density (people/km²)	4
Adult literacy rate	85.00%
Life expectancy at birth	74 years
Key economic data	
GDP	US$ 52.3 bn
GDP per capita	US$ 8435
PPP GDP per capita	US$ 14,348
Average Real GDP growth 2000-06	4.70%
Currency	Libyan Dinar
Inflation	1.80%
Exports	US$ 37,500 m
Imports	US$ 13,200 m

Libya	
Key economic data (cont.)	
Main destinations of exports	Italy, Germany, Spain, Turkey, France, Switzerland
Main sources of imports	Italy, Germany, South Korea, UK, Tunisia, Turkey
Foreign direct investment	US$ 131 m
Effective company tax rate	n/a
Public expenditure on education (% of GDP 2001-05)	3.00%
Physicians per 100,000 people	129
HIV prevalence	<0.2%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Oil, gas
Key imports	Food, capital equipment
Energy	
Power stations	66
GwH 2007	21 500
Tons CO2 2007	868 210
Intensity 2007	889
Electricity consumption per capita	3669 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	41
Fixed telephone lines per 1000 people	133
Internet penetration % of population	4.2%
Tax indicators	
Companies:	
Company tax: Resident companies	15% to 40%
Company tax: Non-resident companies	15% to 40%
Secondary Tax on Companies (STC)	4% Jihad tax
General sales tax	2.00%
Value-added tax	0.00%

Libya	
Tax indicators (cont.)	
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	15.00%
Basis of taxation	Source-based
Withholding tax:	
Interest	0.00%
Dividends	0.00%
Royalties	0.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	15% to 40%

Morocco



The Casablanca Stock Exchange (CSE) is the largest exchange in the Maghreb and West Africa regions and second in Africa after the Johannesburg Securities Exchange (JSE). CSE has enjoyed steady growth for several years, abating in recent months, as the global economic slowdown has spreads it the farthest corners of the world. The exchange finished 2008 with 16 brokerage firms and 77 listed securities, compared to 15 brokerage firms and 73 listed securities as of the end of 2007.

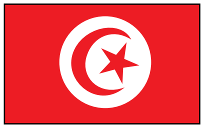
Market capitalisation in 2008 slowed to $66.3bn, compared to $76.02bn at the end of 2007.

Prior to the slowdown, 2008 saw five IPOs and share issues from a wide range of sectors, beginning with the small capitalisation of Delattre Levivier Maroc, a construction and related services firm. Label Vie followed, along with Delta Holding, La Compagnie Miniere de Touissit and Alliances Developpement Immobilier. As trading slowed however, a sixth scheduled IPO, from Trarem Afrique, was temporarily postponed pending market activity. While the global slowdown will no doubt be felt in some of Morocco's key sectors, Morocco is, however, not only about business. Anyone who has had the opportunity to visit Marrakesh, a city which clearly represents a reverberating collision of Africa and Europe, west and east, bohemia and high culture, Arab cities and Berber villages will have fond memories of a magic tourist destination – the Marrakesh Djeema El Fna Square at Night is an experience which will burn in memory long after the visitor has left this magic country of tall minarets and ancient culture seamlessly mingling with the new.

Morocco	
General information	
Official language	Arabic
Other key languages	Berber, French, Spanish
Major religious groups	Muslim, Christian, Jewish
Capital	Rabat
Population	31.2 m
Land area	446,550 km²
Population density (people/km²)	70
Adult literacy rate	55.00%
Life expectancy at birth	71 years
Key economic data	
GDP	US$ 65.8 bn
GDP per capita	US$ 2109
PPP GDP per capita	US$ 3,901
Average Real GDP growth 2000-06	4.40%
Currency	Dirham
Inflation	3.40%
Exports	US$ 11,900 m
Imports	US$ 21,300 m
Main destinations of exports	France, Spain, UK, Italy
Main sources of imports	France, Spain, Germany, Italy
Foreign direct investment	US$ 853 m
Effective company tax rate	53.10%
Public expenditure on education (% of GDP 2001-05)	7.00%
Physicians per 100,000 people	51

Morocco	
Key economic data (cont.)	
HIV prevalence	0.10%
Capital formation/GDP ratio	26.00%
Contribution to GDP by agriculture	15.60%
Key exports	Textiles, electric components, phosphoric acid, phosphate rock, citrus fruits
Key imports	Capital goods, fuel & lubricants, food & beverages, tobacco
Energy	
Power stations	63
GwH 2007	19 600
Tons CO2 2007	1 659 810
Intensity 2007	1 871
Fossil 2007	87.82%
Hydro 2007	9.85%
Renewable 2007	1.40%
Electricity consumption per capita	718 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	411
Fixed telephone lines per 1000 people	44
Internet penetration % of population	21.3%

Tunisia



In spite of the world economic crisis, the Tunis stock exchange reflected a growth of 10,7% in 2008 , the third best performance in the world only after Accra, Ghana and Quito, Ecuador, according to the French news agency AFP and the French business magazine Challenges. Bloomberg ranks the Tunis Stock Exchange second in the world for growth after Accra.

Against the sombre property markets around the world, Tunisia offers a rosier picture for potential investors, according to “Nubrick”, a UK–based property portal. The country is increasingly becoming one of the top property investment markets. In an article posted January 8 on the market’s predictions for 2009, it highlights the country’s strong projected growth potential as well as the country’s tourism potential, which makes investment attractive to the corporate sector. The nation’s proximity to Europe, its increasing accessibility and underlying political stability are supporting the country’s level of investment commitment.

According to the World Travel and tourism Council (WTTC), the next decade will see consistent annual gains in terms of activity growth around 4%. It adds that this is because the nation's government and private sector investors are committing to a massive overhaul and diversification of the tourism product in Tunisia, and there is a national plan for the international promotion of tourism to 2016.

In an innovative move, buses transformed into mobile Internet centres are travelling around Tunisia's villages, helping rural Tunisians find jobs and stay in touch with family and friends abroad.

The buses are staffed with technology experts to show people of all ages how to use the Internet, according to BBC News.

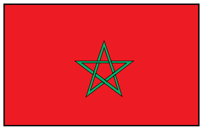
Most of the villages to which these buses travel don't even have electricity, much less Internet cafes. Most residents lack the means to get to larger towns. With little opportunities for work in areas like these, the mobile internet buses are set up for women like Maryam, who tells BBC that on the bus she is able to search and apply for urban secretarial jobs she wouldn't otherwise know about.

Tunisia	
General information	
Official language	Arabic
Other key languages	French, Berber
Major religious groups	Sunni Muslim, Christian
Capital	Tunis
Population	10.3 m
Land area	163,610 km²
Population density (people/km²)	63
Adult literacy rate	78.00%
Life expectancy at birth	74 years
Key economic data	
GDP	US$ 31.0 bn
GDP per capita	US$ 3010
PPP GDP per capita	US$ 6,794
Average Real GDP growth 2000-06	4.60%
Currency	Tunisian Dinar
Inflation	4.50%
Exports	US$ 11,500 m
Imports	US$ 14,000 m

Tunisia	
Key economic data (cont.)	
Main destinations of exports	France, Italy, Germany, Spain
Main sources of imports	France, Italy, Germany, Spain
Foreign direct investment	US$ 639 m
Effective company tax rate	61.00%
Public expenditure on education (% of GDP 2001-05)	7.00%
Physicians per 100,000 people	134
HIV prevalence	0.10%
Capital formation/GDP ratio	24.00%
Contribution to GDP by agriculture	12.10%
Key exports	Textiles, electrical equipment, petroleum & derivatives, olive oil, leather & hide products
Key imports	Textiles, electrical equipment, machinery, petroleum & products, vehicles, cycles and tractors
Energy	
Power stations	32
GwH 2007	12 000
Tons CO2 2007	513 142
Intensity 2007	940
Fossil 2007	91.74%
Hydro 2007	1.16%
Renewable 2007	0.32%
Electricity consumption per capita	1,411 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	566
Fixed telephone lines per 1000 people	125
Internet penetration % of population	17.0%

Tunisia	
Tax indicators	
Companies:	
Company tax: Resident companies	30.00%
Company tax: Non-resident companies	15.00%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	35.00%
Basis of taxation	Source-based for non residents/ Entire income for residents/
Withholding tax:	
Interest	20.00%
Dividends	0.00%
Royalties	15.00%
Exchange controls	Exists in general/ Do not exist for some technical services (technical assistance, technical studies.)
Double tax treaties	Exist (47 non-double taxation treaties are already in force)
Capital gains tax	Non-taxable for non-resident not established person and not taxable for residents in certain cases (listed shares.)

Western Sahara



The city of Laâyoune in Western Sahara is home to 200,000 of Western Sahara's population of 900 000 (2009 estimate) situated 30 km inland from the Atlantic Ocean. It is defined as the future capital of Western Sahara, and is the capital of the Laâyoune-Boujdour-Sakia El Hamra region. The economic base of the city is governmental subsidies, regional administration and trade. Laâyoune has excellent connections to other urban centres, via highways and a local airport to Western Saharan centres like Boujdour 200 km southwest, Smara 230 km east, Moroccan centres Goulimime 500 km northeast.

The population of Laâyoune is largely Moroccan with a substantial presence of Sahrawis. Most Sahrawis are indigenous, but many are from Morocco. The languages are Moroccan Arabic and Hassaniya Arabic, with French and Spanish as first foreign languages. Religion is Sunni Islam.

Many travellers are in search of different experiences and there is a tourist trade developing to enjoy the beauty and tranquillity of the desert. The Western Sahara tourist trade is expanding, and may become a meaningful source of income in the future. The analysis of atmosphere-vegetation interaction in subtropical deserts is a unique occurrence. The model can exhibit multiple stable states in the system: a "desert" equilibrium with low precipitation and absent vegetation and a "green" equilibrium with moderate precipitation and permanent vegetation cover. The conceptual model is applied to interpret the results of two climate-vegetation models: a comprehensive coupled atmosphere-biome model and a simple box model. In both applications, two stable states exist for the Western Sahara/Sahel region for the present-day climate, and the only green equilibrium is found for the mid-Holocene climate. The latter agrees well with paleoreconstructions of Sahara/Sahel climate and vegetation. It is shown that for present-day climate the green equilibrium is less probable than the desert equilibrium, and this explains the existence of the Sahara desert as it is today. Many tourists will pay good money to experience these unique attributes (as they pay to see the Arctic/Antarctic beauty).

Western Sahara	
General information	
Official language	Hassaniya Arabic, Moroccan Arabic
Other key languages	Arabic
Major religious groups	Muslim
Capital	None
Population	393,831
Land area	266,000 km^2
Population density (people/km^2)	< 1
Adult literacy rate	n/a
Life expectancy at birth	54 years
Key economic data	
GDP	n/a
GDP per capita	n/a
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Moroccan Dirhams
Inflation	n/a
Exports	n/a

Western Sahara	
Key economic data (cont.)	
Imports	n/a
Main destinations of exports	France, Italy, Germany, Spain
Main sources of imports	France, Italy, Germany, Spain
Foreign direct investment	US$ 639 m
Effective company tax rate	61.00%
Public expenditure on education (% of GDP 2001-05)	7.00%
Physicians per 100,000 people	134
HIV prevalence	0.10%
Capital formation/GDP ratio	24.00%
Contribution to GDP by agriculture	12.10%
Key exports	Textiles, electrical equipment, petroleum & derivatives, olive oil, leather & hide products
Key imports	Textiles, electrical equipment, machinery, petroleum & products, vehicles, cycles and tractors
Energy	
Power stations	32
GwH 2007	12 000
Tons CO2 2007	513 142
Intensity 2007	940
Fossil 2007	91.74%
Hydro 2007	1.16%
Renewable 2007	0.32%
Electricity consumption per capita	1,411 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	566
Fixed telephone lines per 1000 people	125
Internet penetration % of population	n/a

Western Sahara

Tax indicators

Companies:	
Company tax: Resident companies	30.00%
Company tax: Non-resident companies	15.00%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	35.00%
Basis of taxation	Source-based for non residents/ Entire income for residents/
Withholding tax:	
Interest	20.00%
Dividends	0.00%
Royalties	15.00%
Exchange controls	Exist in general/ Do not exist for some technical services (technical assistance, technical studies.)
Double tax treaties	Exist (47 non-double taxation treaties are already in force
Capital gains tax	Non-taxable for non-resident not established person and not taxable for residents in certain cases (listed shares.)

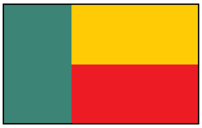
West Africa

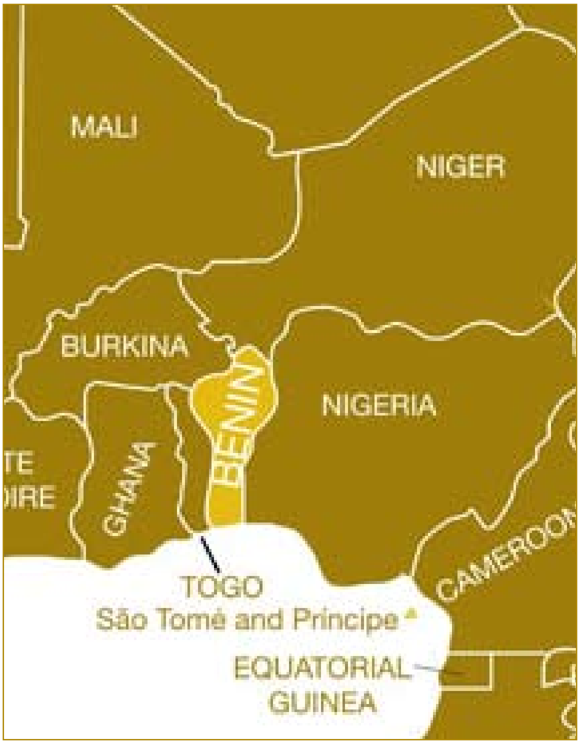

TUNISIA
MOROCCO
ALGERIA
LIBYA
EGYPT
WESTERN SAHARA
MAURITANIA
MALI
NIGER
CHAD
SUDAN
ERITREA
DJIBOUTI
Berbera
THE GAMBIA
SENEGAL
GUINEA BISSAU
GUINEA
BURKINA
NIGERIA
SIERRA LEONE
COTE D'IVOIRE
GHANA
BENIN
LIBERIA
TOGO
São Tomé and Príncipe
CENTRAL AFRICAN REPUBLIC
ETHIOPIA
SOMALIA
CAMEROON
EQUATORIAL GUINEA
REP OF THE CONGO
GABON
DEMOCRATIC REPUBLIC OF THE CONGO (ZAIRE)
UGANDA
KENYA
RWANDA
BURUNDI
Zanzibar
TANZANIA
AFRICA
WEST
MALAWI
ANGOLA
ZAMBIA
MOZAMBIQUE
MADAGASCAR
NAMIBIA
ZIMBABWE
BOTSWANA
SWAZILAND
LESOTHO
SOUTH AFRICA
0
500
1000 Nautical Miles

West Africa is oriented west of an imagined north-south axis lying close to 10° east longitude. The Atlantic Ocean forms the western and southern borders of the region. The northern border is the Sahara Desert, with the Niger Bend generally considered the northernmost part of the region. The eastern border is less precise, with some placing it at the Benue Trough, and others on a line running from Mount Cameroon to Lake Chad. Colonial boundaries are reflected in the modern boundaries between contemporary West African nations, cutting across ethnic and cultural lines, often dividing single ethnic groups between two or more countries. The inhabitants of West Africa are, in contrast to most of Sub-Saharan Africa, non-Bantu speaking peoples.

Despite the wide variety of cultures in West Africa, from Nigeria through to Senegal, there are general similarities in dress, cuisine, music and culture that are not shared extensively with groups outside the geographic region. Islam is the predominant historical religion of the West African interior and the far west coast of the continent; Christianity is the predominant religion in coastal regions of Nigeria, Ghana, and Côte d'Ivoire; and elements of indigenous religions are practiced throughout. Before the decline of the Mali and Songhai Empires there was a sizable group of Jewish communities in areas like Mali, Senegal, Mauritania and Nigeria. Today, there are small Jewish populations in Ghana, Nigeria and Mali. Along with historic migrations, these religions have culturally linked the peoples of West Africa more than those in other parts of Sub-Saharan Africa.

Benin





This West African nation on the Gulf of Guinea, between Togo on the west and Nigeria on the east, is bounded by Burkina Faso and Niger on the north. The land consists of a narrow coastal strip that rises to a swampy, forested plateau and then to highlands in the north. A hot and humid climate blankets the entire country.

The Abomey kingdom of the Dahomey, or Fon, peoples was established in 1625. A rich cultural life flourished, and Dahomey's wooden masks, bronze statues, tapestries, and pottery are world renowned. One of the smallest and most densely populated regions in Africa, Dahomey was annexed by the French in 1893 and incorporated into French West Africa in 1904. It became an autonomous republic within the French Community in 1958, and on 1 August 1960, Dahomey was granted its independence within the Community.

The name Benin commemorates an African kingdom that flourished from the 15th to the 17th century in what is now southwest Nigeria. In 1990, Benin began moving toward multiparty democracy, and changed its name again, to the Republic of Benin.

The World Bank and IMF agreed to cancel much of Benin's foreign debt after the country demonstrated significant economic reforms.

Benin	
General information	
Official language	French
Other key languages	Fon, Adja, Bariba, Yoruba, Fulani, Somba, Aizo
Major religious groups	Ethnic, Christian, Muslim
Capital	Porto Novo (nominal), Cotonou (political & economic)
Population	9.0 m
Land area	112,622 km^2
Population density (people/km^2)	80
Adult literacy rate	45.00%
Life expectancy at birth	57 years
Key economic data	
GDP	US$ 4.7 bn
GDP per capita	US$ 522
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	3.80%
Currency	CFA Franc
Inflation	3.80%
Exports	US$ 501 m
Imports	US$ 879 m
Main destinations of exports	China, India, Ghana, Indonesia, Niger
Main sources of imports	China, France, Thailand, Côte d'Ivoire, UK
Foreign direct investment	US$ 60 m
Effective company tax rate	73.30%
Public expenditure on education (% of GDP 2001-05)	4.00%
Physicians per 100,000 people	4
HIV prevalence	1.80%
Capital formation/GDP ratio	20.00%
Contribution to GDP by agriculture	32.10%
Key exports	Cotton & textiles, re-exports
Key imports	Food, petroleum products

Benin	
Energy	
Power stations	7
GwH 2007	94
Tons CO2 2007	4 857
Intensity 2007	1 144
Electricity consumption per capita	90 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	89
Fixed telephone lines per 1000 people	9
Internet penetration % of population	1.8%
Tax indicators	
Companies:	
Company tax: Resident companies	38% (standard rate) (35% mining activities), 55% (oil companies)
Company tax: Non-resident companies	38% the rate is applied after a 60% deduction on the amount paid
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	60.00%
Basis of taxation	Source-based, Residence-based
Withholding tax:	
Interest	15.00%
Dividends	10% (common rate), 9% (Benin branch of foreign companies)
Royalties	See the tax rate concerning non-resident companies
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	No special tax

Burkina Faso

Until the end of the 19th century, the history of Burkina Faso was dominated by the empire-building Mossi/Mossi Kingdoms, who are believed to have come up to their present location from Northern Ghana, (where there exists the ethnically related Dagomba group). For centuries, the Mossi people were both farmer and soldier, and were able to defend their religious beliefs and social structure against forcible attempts to convert them to Islam by Muslims from the northwest.

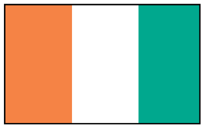
Burkina is one of the safest and friendliest countries in all of Africa. Although it receives only a small number of tourists per year, it is an excellent destination for anyone interested in seeing a beautiful West African country and exploring African culture and music.

Burkina Faso

General information	
Official language	French
Other key languages	Gur, Mande
Major religious groups	Ethnic, Muslim, Christian
Capital	Ouagadougou
Population	14.8 m
Land area	274,122 km²
Population density (people/km²)	54
Adult literacy rate	30.00%
Life expectancy at birth	52 years
Key economic data	
GDP	US$ 6.1 bn
GDP per capita	US$ 412
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	5.70%
Currency	CFA Franc
Inflation	2.30%
Exports	US$ 597 m
Imports	-US$ 1,121 m
Main destinations of exports	China, Singapore, Ghana, Bangladesh
Main sources of imports	France, Côte d'Ivoire, Togo, Libya
Foreign direct investment	US$ 35 m
Effective company tax rate	48.90%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	5
HIV prevalence	2.00%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	31.00%
Key exports	Cotton, livestock products, gold
Key imports	Capital goods, petroleum products, food

Burkina Faso	
Energy	
Power stations	33
GwH 2007	571
Tons CO2 2007	22 113
Intensity 2007	854
Fossil 2007	82.33%
Hydro 2007	17.52%
Renewable 2007	0.15%
Electricity consumption per capita	32 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	43
Fixed telephone lines per 1000 people	7
Internet penetration % of population	0.5%
Tax indicators	
Companies:	
Company tax: Resident companies	30.00%
Company tax: Non-resident companies	20.00%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	39.00%
Basis of taxation	Source-based, residence-based
Withholding tax:	
Interest	25% (standard rate) 12,5% (reduced rate)
Dividends	15.00%
Royalties	20.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	15% (gain from real property)

Côte d'Ivoire



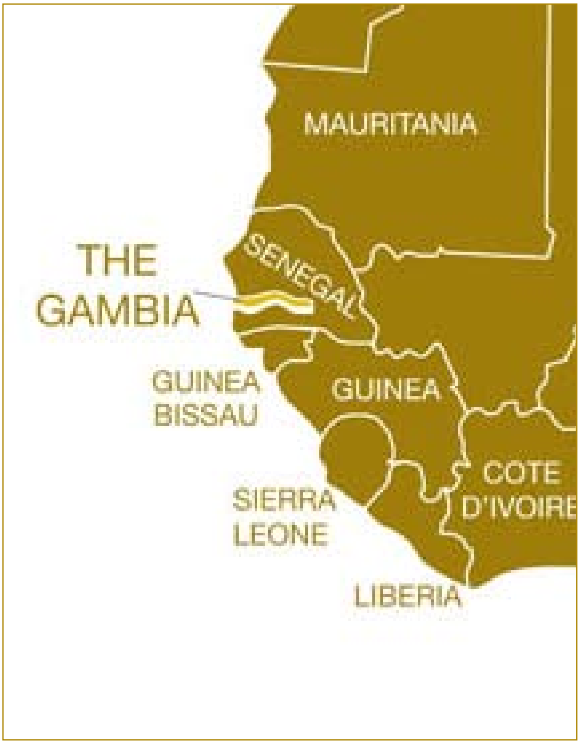
Côte d'Ivoire was once the economic miracle of Africa and a role model for stability on the continent. Never completely breaking from France, the post-independence leaders wooed French capital to build a modern infrastructure and considerable prosperity. The country abounds in some of the best natural attractions in West Africa, such as Parc National de Taï's vast patch of rainforest and the string of beaches along the Atlantic coast. It's also a land rich in tradition due to a diverse tribal mix that includes Dan, Lobi, Baoulé and Senoufo peoples.

Côte d'Ivoire is a modern society which sets it apart from other West African nations. Abidjan is a modern city with skyscrapers that astound the visitor. Yamoussoukro in the centre is famous for its basilica, an astonishing replica of Rome's St Peter's, which epitomises the former president's philosophy.

Côte d'Ivoire	
General information	
Official language	French
Other key languages	Kwa, Kru, Gur, Mande
Major religious groups	Ethnic, Muslim, Christian
Capital	Yamoussoukro
Population	19.3 m
Land area	322,642 km²
Population density (people/km²)	60
Adult literacy rate	55.00%
Life expectancy at birth	48 years
Key economic data	
GDP	US$ 18.4 bn
GDP per capita	US$ 953
PPP GDP per capita	US$ 1,757
Average Real GDP growth 2000-06	0.10%
Currency	CFA Franc
Inflation	2.40%
Exports	US$ 8,477 m
Imports	-US$ 5,368 m
Main destinations of exports	US, Netherlands, France, Italy, Belgium
Main sources of imports	France, Nigeria, China, Italy, Belgium
Foreign direct investment	US$ 360 m
Effective company tax rate	45.40%
Public expenditure on education (% of GDP 2001-05)	0.00%
Physicians per 100,000 people	12
HIV prevalence	3.20%
Capital formation/GDP ratio	12.00%
Contribution to GDP by agriculture	22.70%
Key exports	Cocoa & products, petroleum & products, timber, coffee & products
Key imports	Foodstuffs, petroleum & products, capital equipment
Energy	
Power stations	13
GwH 2007	4 578
Tons CO2 2007	150 514

Côte d'Ivoire	
Energy (cont.)	
Intensity 2007	725
Fossil 2007	67.54%
Hydro 2007	31.02%
Renewable 2007	0.00%
Electricity consumption per capita	222 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	121
Fixed telephone lines per 1000 people	14
Internet penetration % of population	1.6%
Tax indicators	
Companies:	
Company tax: Resident companies	25% (common rate); 20% (when the annual turnover is less than 1 billion CFA francs)
Company tax: Non-resident companies	20% (withheld at source)
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	37,5%
Basis of taxation	Source-based, residence-based
Withholding tax:	
Interest	18% (common tax); 1% ,5%, 10% and 16,5% (reduced rates)
Dividends	12% (common rate)18% (dividends exempt from the corporate income tax), and 10% (dividends distributed by companies listed on the Regional Stock Exchange of Movable Capital- BRVM);
Royalties	20.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	3% (gains from real property); 20% and 12% (gains from capital)

Gambia, the



The Gambia is a small country. This tiny sliver of land is a mere 500km long and 50km wide, and, with the exception of an 80km shoreline, is entirely enveloped by Senegal. Beach-bound tourists have long known how to trace this oddly shaped country on the map. Its magnificent coast invites visitors to laze and linger, tempting with luxurious beach resorts and bustling fishing villages. The story of The Gambia does not end here. The Gambians are very eco-conscious and pristine nature reserves abound. River Gambia National Park (also known as Baboon Island), Kiang West National Park and the historical slaving stations of St James Island and Jufureh offer peaceful pauses from the clamour of the nearby coast away from crowded beaches. The Gambia has a vibrant culture always there to surprise the visitor. The bustling markets of Banjul and Serekunda are an interesting place where bargaining for the wares on sale will sharpen negotiation skills.

The Gambia is a land well endowed with birds numbering around 300 species, normally bird-lovers will easily be seduced by this compact country. On a tour upriver, the cries of over 300 species will follow you as your pirogue (traditional canoe) charts a leisurely course through mangrove-lined wetlands and the island of Georgetown.

Africa's diversity is once again outlined by the uniqueness of The Gambia.

Gambia, the	
General information	
Official language	English
Other key languages	Wolof, Madinka, Fula
Major religious groups	Muslim, Ethnic, Christian
Capital	Banjul
Population	1.7 m
Land area	11,295 km²
Population density (people/km²)	151
Adult literacy rate	45.00%
Life expectancy at birth	59 years
Key economic data	
GDP	US$ 0.5 bn
GDP per capita	US$ 294
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Dalasi
Inflation	1.20%
Exports	US$ 84 m
Imports	US$ 222 m
Main destinations of exports	Thailand, UK, France, India, Germany
Main sources of imports	China, Senegal, UK, Netherlands, US
Foreign direct investment	US$ 60 m
Effective company tax rate	286.70%
Public expenditure on education (% of GDP 2001-05)	2.00%
Physicians per 100,000 people	11
HIV prevalence	2.40%
Capital formation/GDP ratio	n/a

Gambia, the	
Key economic data (cont.)	
Contribution to GDP by agriculture	n/a
Key exports	Re-exports, groundnut products, fruits & vegetables, fish & fish preparation
Key imports	Food, machinery & transport equipment, manufactures, minerals & fuels
Energy	
Power stations	8
GwH 2007	172
Tons CO2 2007	7 868
Intensity 2007	1 006
Electricity consumption per capita	97 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	163
Internet penetration % of population	5.8%
Tax indicators	
Companies:	
Company tax: Resident companies	35.00%
Company tax: Non-resident companies	35.00%
Secondary Tax on Companies (STC)	None
General sales tax	10.00%
Value-added tax	None
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	35.00%
Basis of taxation	Residence-based
Withholding tax:	
Interest	15.00%
Dividends	15.00%
Royalties	15.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	5%, 10%, 15% or 25%

Ghana

One of the most famous sons of Africa has his roots in this friendly West African country – Secretary General of the United Nations – Mr. Kofi Annan. While leading the UN, he consistently weaved his immense talent in revitalizing the UN through a comprehensive programme of reform; strengthening the Organization's traditional work in the areas of development and the maintenance of international peace and security; advocating human rights, the rule of law and the universal values of equality, tolerance and human dignity; restoring public confidence in the Organization by reaching out to new partners and, in his words, by "bringing the United Nations closer to the people". The Secretary-General has also taken a leading role in mobilizing the international community in the battle against HIV/AIDS, and more recently against the global terrorist threat[9].

Ghana raised an icon to the freedom of humankind.

[9] From Les Prix Nobel. The Nobel Prizes 2001, Editor Tore Frängsmyr, Nobel Foundation, Stockholm, 2002

In 1960, Ghana listed roughly 100 linguistic and cultural groups. Later censuses placed less emphasis on the ethnic and cultural composition of the population, differences of course existed and had not disappeared by the mid-1990s The major ethnic groups in Ghana include the Akan, Ewe, Mole-Dagbane, Guan, and Ga-Adangbe. The subdivisions of each group share a common cultural heritage, history, language, and origin. These shared attributes were among the variables that contributed to state formation in the pre-colonial period. Competition to acquire land for cultivation, to control trade routes, or to form alliances for protection also promoted group solidarity and state formation. The creation of the union that became the Asante confederacy in the late seventeenth century is a good example of such processes at work in Ghana's past.

As one prolific writer on modern Ghana, Naomi Chazan, has aptly observed, undifferentiated recourse to ethnic categories has obscured the essential fluidity that lies at the core of shared ties in the country. Evidence of this fluidity lays in the heterogeneous nature of all administrative regions, in rural-urban migration that results in interethnic mixing, in the shared concerns of professionals and trade unionists that cut across ethnic lines, and in the multi-ethnic composition of secondary school and university classes. Ethnicity, nonetheless, continues to be one of the most potent factors affecting political behaviour in Ghana. For this reason, ethnically based political parties are unconstitutional under the present Fourth Republic.

Despite the cultural differences among Ghana's various peoples, linguists have placed Ghanaian languages in one or the other of only two major linguistic subfamilies of the Niger-Congo language family, one of the large language groups in Africa. These are the Kwa and Gur groups, found to the south and north of the Volta River, respectively. The Kwa group, which comprises about 75 percent of the country's population, includes the Akan, Ga-Adangbe, and Ewe. The Akan are further divided into the Asante, Fante, Akwapim, Akyem, Akwamu, Ahanta, Bono, Nzema, Kwahu, and Safwi. The Ga-Adangbe people and language group include the Ga, Adangbe, Ada, and Krobo or Kloli. Even the Ewe, who constitutes a single linguistic group, is divided into the Nkonya, Tafi, Logba, Sontrokofi, Lolobi, and Likpe. North of the Volta River are the three subdivisions of the Gur-speaking people. These are the Gurma, Grusi, and Mole-Dagbane. Like the Kwa subfamilies, further divisions exist within the principal Gur groups.

Any one group may be distinguished from others in the same linguistically defined category or subcategory, even when the members of the category are characterized by essentially the same social institutions. Each has a historical tradition of group identity, if nothing else, and, usually, of political autonomy. In some cases, however, what is considered a single unit for census and other purposes may have been divided into identifiable separate groups before and during much of the colonial period and, in some manner, may have continued to be separate after independence.

Ghana mirrors vast contrasts, both culturally and economically.

Ghana	
General information	
Official language	English
Other key languages	Akan, Ewe, Ga
Major religious groups	Christian, Muslim, Ethnic
Capital	Accra
Population	23.4 m
Land area	239,460 km²
Population density (people/km²)	98
Adult literacy rate	79.00%
Life expectancy at birth	60 years
Key economic data	
GDP	US$ 12.0 bn
GDP per capita	US$ 513
PPP GDP per capita	US$ 1,229
Average Real GDP growth 2000-06	5.30%
Currency	Cedi
Inflation	10.90%
Exports	US$ 3,700 m
Imports	US$ 6,800 m
Main destinations of exports	Netherlands, UK, France, US, Belgium
Main sources of imports	Nigeria, China, UK, US, France
Foreign direct investment	US$ 139 m
Effective company tax rate	32.90%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	15
HIV prevalence	2.30%
Capital formation/GDP ratio	32.00%
Contribution to GDP by agriculture	37.30%
Key exports	Gold, cocoa beans & products, timber & products
Key imports	Oil

Ghana	
Energy	
Power stations	23
GwH 2007	6 287
Tons CO2 2007	29 523
Intensity 2007	104
Fossil 2007	11.51%
Hydro 2007	83.98%
Renewable 2007	4.43%
Electricity consumption per capita	298 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	129
Fixed telephone lines per 1000 people	15
Internet penetration % of population	2.8%
Tax indicators	
Companies:	
Company tax: Resident companies	25.00%
Company tax: Non-resident companies	25.00%
Secondary Tax on Companies (STC)	None
General sales tax	None
Value-added tax	15% (12.5% VAT plus 2.5% NHIL)
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	25.00%
Basis of taxation	Residence-based
Withholding tax:	
Interest	8.00%
Dividends	8.00%
Royalties	10.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	5.00%

Guinea

On 28 September 1958, under the direction of Charles de Gaulle, Metropolitan France held a referendum on a new constitution and the creation of the Fifth Republic. The colonies, except Algeria, which was legally a direct part of France, were given the choice between immediate independence and retaining their colonial status. All colonies except Guinea opted for the latter. Thus, Guinea became the first French African colony to gain independence, on 2 October 1958, at the cost of the immediate cessation of all French assistance.

Guinea	
General information	
Official language	French
Other key languages	Fulani, Kissi, Malinké,Susu, Kpelle
Major religious groups	Muslim, Christian, Etnic
Capital	Conakry
Population	9.4 m
Land area	245,857 km²
Population density (people/km²)	38
Adult literacy rate	30.00%
Life expectancy at birth	56 years
Key economic data	
GDP	US$ 3.3 bn
GDP per capita	US$ 351
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	2.90%
Currency	Guinea Franc
Inflation	34.70%
Exports	US$ 1,012 m
Imports	-US$ 940 m
Main destinations of exports	South Korea, Russia, Spain, Ireland
Main sources of imports	France, China, Netherlands, US
Foreign direct investment	US$ 100 m
Effective company tax rate	49.90%
Public expenditure on education (% of GDP 2001-05)	2.00%
Physicians per 100,000 people	11
HIV prevalence	1.50%
Capital formation/GDP ratio	13.00%
Contribution to GDP by agriculture	19.50%
Key exports	Bauxite, alumina, gold, diamonds
Key imports	Food products, petroleum, capital goods

Guinea	
Energy	
Power stations	20
GwH 2007	843
Intensity 2007	535
Fossil 2007	50.18%
Hydro 2007	49.82%
Electricity consumption per capita	90 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	20
Fixed telephone lines per 1000 people	3
Internet penetration % of population	0.5%
Tax indicators	
Companies:	
Company tax: Resident companies	35.00%
Company tax: Non-resident companies	10.00%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	40.00%
Basis of taxation	Source-based, residence-based
Withholding tax:	
Interest	15.00%
Dividends	15.00%
Royalties	10.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	15% on gains from the transfer of real estate (after a deduction of 10% on the amount of gain)

Guinea-Bissau

The remarkable Arquipélago dos Bijagós are a series of delta islands strikingly lined with powdery, white-sand beaches, washed by azure waters, and populated by a people whose matriarchal culture, long protected by hidden sandbanks and treacherous tides, is unlike any found in West Africa is a memory every visitor to Guinea-Bissau will hold in fondness of this small West African country. Like most sub-Saharan nations, Guinea-Bissau is an arbitrary European construct, yet it possesses many qualities unique from its neighbours.

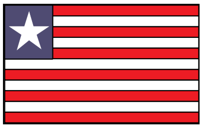
The people themselves have a welcoming honesty about them, and it is rare to hear the insincere 'bonjour, mon ami' that signals the beginning of an unwelcome sales pitch normally used in surrounding countries – people mainly helpful and kind – Portuguese being the official language. This advantage as well as Guinea-Bissau's relaxed feel, pastel-coloured buildings and nice cafés auger well for future tourism to this unspoilt country.

Guinea-Bissau

General information	
Official language	Portuguese
Other key languages	Criolo, Balante
Major religious groups	Ethnic, Muslim, Christian
Capital	Bissau
Population	1.7 m
Land area	36,125 km^2
Population density (people/km^2)	47
Adult literacy rate	47.00%
Life expectancy at birth	46 years
Key economic data	
GDP	US$ 0.3 bn
GDP per capita	US$ 176
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	CFA Franc
Inflation	2.00%
Exports	US$ 64 m
Imports	-US$ 118 m
Main destinations of exports	India, US, Nigeria, Italy, Senegal
Main sources of imports	Senegal, Portugal, Netherlands, China, Italy
Foreign direct investment	US$ 5 m
Effective company tax rate	45.90%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	12
HIV prevalence	3.80%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Cashew nuts, fish & shrimps
Key imports	Food products, capital equipment

Guinea-Bissau	
Energy	
Power stations	2
GwH 2007	52
Tons CO2 2007	2 749
Intensity 2007	1 160
Electricity consumption per capita	38 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	42
Fixed telephone lines per 1000 people	7
Internet penetration % of population	2.5%

Liberia

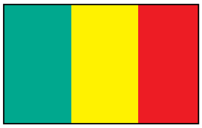


Liberia has the distinction of holding the second largest registry of ships in the world, and includes about 2600 ships of over 80 million gross tons, which is 10 percent of the world's ocean-going fleet. As the world's premier open ship registry, the Liberian Maritime Program is renowned for quality, efficiency, safety and service. Likewise, Liberia is recognized at the top of every industry "white-list" including the International Maritime Organization and the major Port State Control authorities such as the US Coast Guard as well as the Paris and Tokyo MOU regimes. Furthermore, according to the U.S. Maritime Administration, Liberian flagged vessels carry more than one-third of the oil imported into the United States. This is a remarkable achievement for this African country.

Liberia	
General information	
Official language	English
Other key languages	Merico, Mande, Mel, Kru, other Niger-Congo dialects
Major religious groups	Ethnic, Christian, Muslim
Capital	Monrovia
Population	3.8 m
Land area	111,369 km²
Population density (people/km²)	34
Adult literacy rate	61.00%
Life expectancy at birth	46 years
Key economic data	
GDP	US$ 0.8 bn
GDP per capita	US$ 211
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Liberian Dollar
Inflation	7.40%
Exports	US$ 158 m
Imports	-US$ 476 m
Main destinations of exports	Germany, Poland, US, Greece
Main sources of imports	South Korea, Japan, Singapore, Croatia
Foreign direct investment	US$ 20 m
Effective company tax rate	81.60%
Public expenditure on education (% of GDP 2001-05)	n/a
Physicians per 100,000 people	n/a
HIV prevalence	n/a
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Rubber, cocoa
Key imports	Mineral fuels & lubricants, food & live animals, machinery & transport equipment, manufactured goods

Liberia	
Energy	
Power stations	4
GwH 2007	310
Tons CO2 2007	14 099
Intensity 2007	1 003
Electricity consumption per capita	97 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	n/a
Fixed telephone lines per 1000 people	n/a
Internet penetration % of population	0.0%
Tax indicators	
Companies:	
Company tax: Resident companies	35.00%
Company tax: Non-resident companies	
Secondary Tax on Companies (STC)	None
General sales tax	7.00%
Value-added tax	None
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	35.00%
Basis of taxation	Residence-based
Withholding tax:	
Interest	10% or 15%
Dividends	10% or 15%
Royalties	10% or 15%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	n/a%

Mali



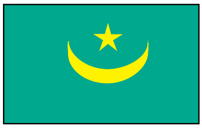
Mali, the largest country in West Africa, is bordered by seven other states: Algeria lies to the north and northeast, Niger to the east, Burkina Faso to the southeast and, with the Ivory Coast, to the south. On the west are Senegal and Mauritania. Although Mali cannot compete with the major safari countries for sheer natural spectacle, Mali is a nation of unusual interest and charm. Like Egypt, Mali is a country that is intimately related to a great river – in this case, the Niger. In addition, Mali is the location of some of the continent's most interesting cultural sites. Legendary Timbuktu is located here, and in the centre of the country is the Bandiagara escarpment, home to the fascinating culture of the Dogon tribe, best known for their mythology, their mask dances, wooden sculpture and their architecture. The past century has seen significant changes in the social organization, material culture and beliefs.

Mali's single most important geographic feature is undoubtedly the great Niger River, which traverses both the Sahel and the south-eastern section of the country. The Niger, like the Nile, is both a critical source of sustenance and a major transportation artery – and in this latter capacity it is an excellent venue for boat travel. The north-western region of the country, which extends into the Sahara, is almost entirely arid desert or semi-desert. In the central region, known as the Sahel, life follows the Niger River's annual flood cycle, with high water between August and November. In the south-western area the region is marginally lusher than the rest of the country, where rainfall and rivers are more plentiful.

Mali	
General information	
Official language	French
Other key languages	Mande, Bambara, Gur
Major religious groups	Muslim, Ethnic, Christian
Capital	Bamako
Population	12.3 m
Land area	1,240,192 km²
Population density (people/km²)	10
Adult literacy rate	31.00%
Life expectancy at birth	54 years
Key economic data	
GDP	US$ 6.0 bn
GDP per capita	US$ 488
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	5.70%
Currency	CFA Franc
Inflation	1.50%
Exports	US$ 1,550 m
Imports	US$ 1,475 m
Main destinations of exports	China, Pakistan, Italy, Thailand
Main sources of imports	France, Senegal, Côte d'Ivoire, Germany
Foreign direct investment	US$ 180 m
Effective company tax rate	51.40%
Public expenditure on education (% of GDP 2001-05)	4.00%
Physicians per 100,000 people	8
HIV prevalence	1.70%

Mali	
Key economic data (cont.)	
Capital formation/GDP ratio	24.00%
Contribution to GDP by agriculture	37.20%
Key exports	Gold, cotton
Key imports	Capital goods, petroleum products, food
Energy	
Power stations	22
GwH 2007	470
Tons CO2 2007	12 047
Intensity 2007	565
Fossil 2007	48.95%
Hydro 2007	51.05%
Electricity consumption per capita	42 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	64
Fixed telephone lines per 1000 people	6
Internet penetration % of population	0.8%
Tax indicators	
Companies:	
Company tax: Resident companies	35% (standard rate)
Company tax: Non-resident companies	35% (after a 50% deduction on the amount paid- 90% for work and/or supply transactions)
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	40.00%
Basis of taxation	Source-based, residence-based
Withholding tax:	
Interest	9.00%
Dividends	10.00%
Royalties	35% (after a 50% deduction on the amount paid)
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	By natural persons: 35% (gains at short time), 25% (gain at long time)

Mauritania

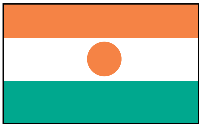


Fishing is important to Mauritania, and the country attracts many tourists for sports fishing off the Atlantic coast. Fish common in the area are dolphins, sea bass, rays and sharks. On land, the combination of overgrazing by animals with deforestation, drought and soil erosion have led to desertification. In the desert and Sahel (the region to the south of the Sahara) plants and animals have difficulty finding water. There is little plant life and few animals can survive. In the Sahel there are scattered low grasses, bushes and acacia thorn trees. Baobab trees grow in the South and date palms in the oases.

Mauritania	
General information	
Official language	Arabic
Other key languages	French, Soninke, Fula,
Major religious groups	Muslim
Capital	Nouakchott
Population	3.1 m
Land area	1,030,700 km²
Population density (people/km²)	3
Adult literacy rate	44.00%
Life expectancy at birth	64 years
Key economic data	
GDP	US$ 2.7 bn
GDP per capita	US$ 871
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	5.00%
Currency	Ouguiya
Inflation	6.20%
Exports	US$ 1,367 m
Imports	-US$ 1,103 m
Main destinations of exports	Japan, France, Spain, Italy
Main sources of imports	France, China, US, Spain
Foreign direct investment	US$ 300 m
Effective company tax rate	107.50%
Public expenditure on education (% of GDP 2001-05)	2.00%
Physicians per 100,000 people	11
HIV prevalence	0.70%
Capital formation/GDP ratio	23.00%
Contribution to GDP by agriculture	25.60%
Key exports	Iron ore, fish & fish products
Key imports	Oil exploration, public investment & aid

Mauritania	
Energy	
Power stations	7
GwH 2007	201
Tons CO2 2007	10 196
Intensity 2007	1 120
Electricity consumption per capita	151 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	243
Fixed telephone lines per 1000 people	13
Internet penetration % of population	0.9%
Tax indicators	
Companies:	
Company tax: Resident companies	25.00%
Company tax: Non-resident companies	25.00%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	14% (standard rate) zero rate (export)
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	33.00%
Basis of taxation	Source-based, residence-based
Withholding tax:	
Interest	10.00%
Dividends	10.00%
Royalties	35% (when royalties are subject to tax on non-commercial profit) 25% (in case of taxation as industrial and commercial profit)
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	No special tax

Niger



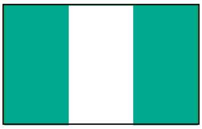
Niger is an inland West African country surrounded by Algeria, Benin, Burkina Faso, Chad, Libya, Mali and Nigeria. Niamey, on the River Niger, is the capital city. The Sahara Desert and the Sahel (a semi-desert south of the Sahara) covers a large part of Niger. Most of the country, apart from the Air Mountains, is flat and level land. The climate is very hot and dry and the country suffers from droughts. There is a short rainy period. The River Niger, which passes through the country and is its only permanent body of water, is Africa's third longest river.

Niger's earnings from the export of uranium have made it possible to build some modern, western style buildings. This modern architecture stands alongside mud brick houses. In Agadez and Zinder there are some old houses with beautifully decorated facades. As Niger is a Moslem country, mosques are amongst its important public buildings.

Niger	
General information	
Official language	French
Other key languages	Hausa, Songhai, Fulfulde, Tamashek, Arabic
Major religious groups	Muslim, Christian, Ethnic
Capital	Niamey
Population	14.2 m
Land area	1,267,000 km²
Population density (people/km²)	11
Adult literacy rate	20.00%
Life expectancy at birth	57 years
Key economic data	
GDP	US$ 3.6 bn
GDP per capita	US$ 254
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	3.70%
Currency	CFA Franc
Inflation	0.00%
Exports	US$ 515 m
Imports	US$ 748 m
Main destinations of exports	France, Nigeria, Japan, Switzerland
Main sources of imports	France, US, French Polynesia, Nigeria
Foreign direct investment	US$ 20 m
Effective company tax rate	42.40%
Public expenditure on education (% of GDP 2001-05)	2.00%
Physicians per 100,000 people	2
HIV prevalence	1.10%
Capital formation/GDP ratio	19.00%
Contribution to GDP by agriculture	39.90%
Key exports	Uranium, livestock, onions, cowpeas
Key imports	Food products, capital goods, petroleum products

Niger	
Energy	
Power stations	9
GwH 2007	233
Intensity 2007	2 752
Electricity consumption per capita	34 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	21
Fixed telephone lines per 1000 people	2
Internet penetration % of population	0.3%
Tax indicators	
Companies:	
Company tax: Resident companies	35.00%
Company tax: Non-resident companies	16.00%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	19.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	45.00%
Basis of taxation	Source-based
Residence-based	
Withholding tax:	
Interest	25% (common rate),15% (reduced rate)
Dividends	10.00%
Royalties	16.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	15% (gain from transfer of real estate)

Nigeria



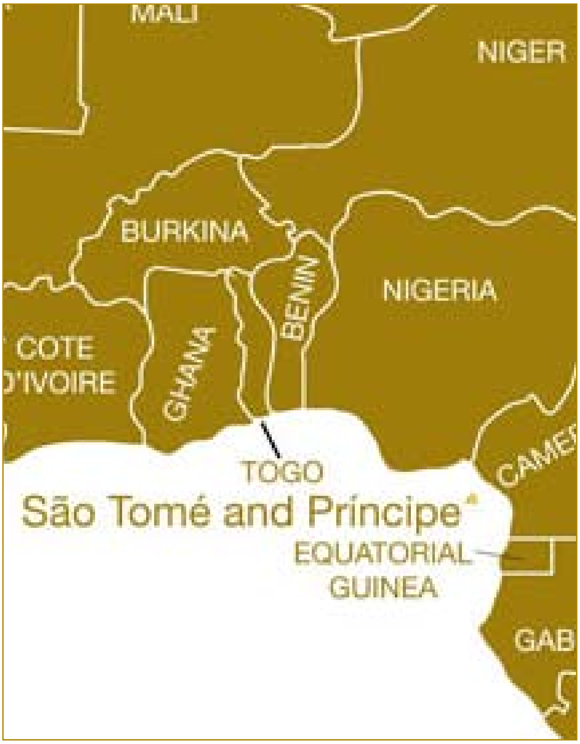
The Federal Republic of Nigeria is in West Africa. It is bordered by Benin, Niger, Chad, Cameroon and the Gulf of Guinea (Atlantic). Abuja is the capital city. Lagos is the former capital. The terrain of Nigeria is varied: lowlands in the south, mountains in the southeast, central hills and plateaux, and plains in the north. The Niger is the principal river.

The climate is equatorial in the south, tropical in the central region and semi-arid in the north. The Osun Sacred Grove, in the forest outside the city of Osogbo, is on the World Heritage List. The Grove is one of the last sacred groves of the Yoruba. National Parks in Nigeria include the Chad Basin National Park, Cross River National Park, Gashaki-Gumpti National Park, Lake Kainji National Park, Kamuku National Park, Okomu National Park, Old Oyo National Park and Yankari National Park. There are also a number of game reserves. Animals found in the protected areas are antelopes, baboons, buffaloes, chimpanzees, crocodiles, elephants, leopards, lions and snakes. Around nine hundred species of birds live in Nigeria.

Nigeria	
General information	
Official language	English
Other key languages	Hausa, Yoruba, Ibo, other Niger-Congo dialects
Major religious groups	Muslim, Christian, Ethnic
Capital	Abuja
Population	147.8 m
Land area	923,768 km²
Population density (people/km²)	160
Adult literacy rate	73.00%
Life expectancy at birth	47 years
Key economic data	
GDP	US$ 117.3 bn
GDP per capita	US$ 794
PPP GDP per capita	US$ 1,627
Average Real GDP growth 2000-06	5.90%
Currency	Naira
Inflation	8.20%
Exports	US$ 59,100 m
Imports	US$ 31,100 m
Main destinations of exports	US, India, Spain, Brazil
Main sources of imports	US, China, UK, Netherlands
Foreign direct investment	US$ 2,127 m
Effective company tax rate	29.90%
Public expenditure on education (% of GDP 2001-05)	0.00%
Physicians per 100,000 people	28
HIV prevalence	3.90%
Capital formation/GDP ratio	21.00%
Contribution to GDP by agriculture	22.10%
Key exports	Oil, gas
Key imports	Machinery & transport, chemicals, food & live animals

Nigeria	
Energy	
Power stations	145
GwH 2007	23 600
Intensity 2007	660
Fossil 2007	58.38%
Hydro 2007	33.34%
Renewable 2007	1.17%
Electricity consumption per capita	145 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	141
Fixed telephone lines per 1000 people	9
Internet penetration % of population	7.2%
Tax indicators	
Companies:	
Company tax: Resident companies	30% of taxable profit
Company tax: Non-resident companies	6% of Turnover on Nigeria activities
Secondary Tax on Companies (STC)	
Information Technology Tax	1% of Profit Before Tax
Education Tax	2% of Assessable Profit
General sales tax	N/A%
Value-added tax	5.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	25.00%
Basis of taxation	Entire income
Withholding tax:	
Interest	10.00%
Dividends	10.00%
Royalties	10.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	10.00%

São Tomé and Príncipe



Discovered and claimed by Portugal in the late 15th century, the islands' sugar-based economy gave way to coffee and cocoa in the 19th century – all grown with plantation slave labour, a form of which lingered into the 20th century. While independence was achieved in 1975, democratic reforms were not instituted until the late 1980s. The country held its first free elections in 1991. The recent discovery of oil in the Gulf of Guinea promises to attract increased attention to the small island nation.

São Tomé and Príncipe	
General information	
Official language	Portuguese
Other key languages	Portuguese Crioulo
Major religious groups	Christian
Capital	São Tomé
Population	0.2 m
Land area	1,001 km²
Population density (people/km²)	200
Adult literacy rate	85.00%
Life expectancy at birth	66 years
Key economic data	
GDP	US$ 0.1 bn
GDP per capita	US$ 500
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Dobra
Inflation	23.10%
Exports	US$ 7 m
Imports	US$ 69 m
Main destinations of exports	Netherlands, China, Belgium, Germany
Main sources of imports	Portugal, Germany, US, Netherlands
Foreign direct investment	US$ 54 m
Effective company tax rate	51.00%
Public expenditure on education (% of GDP 2001-05)	6.00%
Physicians per 100,000 people	49
HIV prevalence	-
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Cocoa
Key imports	Foodstuffs, petroleum products

São Tomé and Príncipe	
Energy	
Power stations	4
GwH 2007	21
Tons CO2 2007	656
Intensity 2007	689
Fossil 2007	52.37%
Hydro 2007	47.63%
Electricity consumption per capita	119 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	77
Fixed telephone lines per 1000 people	46
Internet penetration % of population	11.2%

Senegal

The Republic of Senegal is in Western Africa, bordered by the North Atlantic Ocean, Mauritania, Mali, Guinea and Guinea-Bissau. The Gambia is almost an enclave within the country. Dakar is the capital and a major port. Other cities include Kaolack, Saint-Louis and Thies. Saint-Louis, on the World Heritage List, was founded by the French in the seventeenth century. A former capital, Saint-Louis contains examples of two and three storey houses with balconies and wooden shutters. Other buildings are the Governor's Palace and the Cathedral. The island of Goree, opposite Dakar, was a major centre of the slave trade from the fifteenth to the nineteenth century. Inscribed as a World Heritage site in 1978, buildings include slave quarters and Colonial architecture.

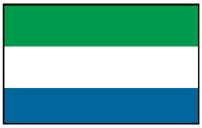
The terrain consists of low, rolling plains, rising to foothills. Major rivers are the Casamance, Gambia, Saloum and Senegal. The climate of Senegal is tropical; the rainy season is from May to November. Protected areas in Senegal include two World Heritage sites: Djoudj National Bird Sanctuary and Niokolo-Koba National Park. The Niokolo-Koba National Park is located along the Gambia River and the Bird Sanctuary is situated in the Senegal River delta. Animals living in Senegal include antelopes, chimpanzees, elephants, leopards and lions.

Senegal has a long history of participating in international peacekeeping.

Senegal	
General information	
Official language	French
Other key languages	Wolof, Mande, Fulani, Serer
Major religious groups	Sunni Muslim, Christian, Ethnic
Capital	Dakar
Population	12.4 m
Land area	196,192 km^2
Population density (people/km^2)	63
Adult literacy rate	44.00%
Life expectancy at birth	63 years
Key economic data	
GDP	US$ 10.8 bn
GDP per capita	US$ 871
PPP GDP per capita	US$ 1,848
Average Real GDP growth 2000-06	4.50%
Currency	CFA Franc
Inflation	2.10%
Exports	US$ 1,510 m
Imports	US$ 3,077 m
Main destinations of exports	India, France, Mali, Italy
Main sources of imports	France, Nigeria, Germany, Italy
Foreign direct investment	US$ 70 m
Effective company tax rate	46.00%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	6
HIV prevalence	0.90%
Capital formation/GDP ratio	24.00%
Contribution to GDP by agriculture	17.50%
Key exports	Fish & fish products, phosphates, phosphoric acid & fertilisers, groundnuts & products
Key imports	Food, petroleum products

Senegal	
Energy	
Power stations	50
GwH 2007	1 832
Tons CO2 2007	80 307
Intensity 2007	967
Fossil 2007	80.27%
Hydro 2007	0.00%
Renewable 2007	1.80%
Electricity consumption per capita	237 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	148
Fixed telephone lines per 1000 people	23
Internet penetration % of population	6.4%
Tax indicators	
Companies:	
Company tax: Resident companies	25.00%
Company tax: Non-resident companies	20% (Withholding tax)
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	50.00%
Basis of taxation	Sourced-based or Residence-based: 0, 8 or 16% Interest
Dividends	10.00%
Royalties	20.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	25% (with possible reduction of the base)

Sierra Leone

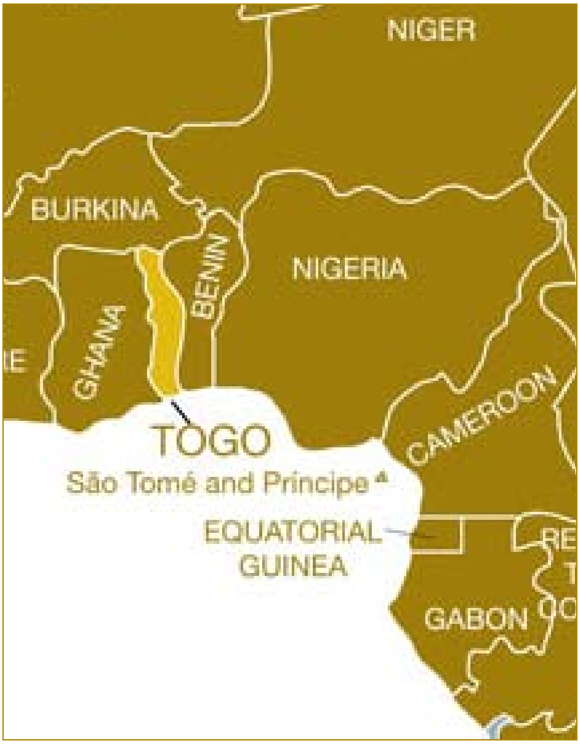


Sierra Leone, with its unique landscape, scenery and cultural heritage is a relatively untapped tourist destination. It has a coastal line of nearly 360 kilometres fringed with beautiful and unspoilt white sandy beaches along the Atlantic Ocean. The country offers visitors its historic heritage, exotic flora and fauna, mountains and natural beauty. A place where the lush green forest spills down hillsides to meet the sandy beaches along the Atlantic Ocean. The tropical rain forest is home to some of the rare and endangered species of monkeys, baboons, birds, butterflies and a wide variety of antelope and buffalo families. Behind its natural beauty, Sierra Leone can boasts of numerous waterfalls, mysterious lakes and splendid hills, historical islands, some wears the hallmark of slave trade. The cultural heritage creates a tradition of friendliness and hospitality, which treats every visitor to an exclusive and unforgettable nostalgia. A wide range of activities – bird watching, sport fishing, adventure, hiking etc are sure to attract and captivate visitors.

Sierra Leone	
General information	
Official language	English
Other key languages	Krio
Major religious groups	Animist, Christian, Sunni Muslim
Capital	Freetown
Population	5.8 m
Land area	71,740 km²
Population density (people/km²)	81
Adult literacy rate	35.00%
Life expectancy at birth	43 years
Key economic data	
GDP	US$ 1.4 bn
GDP per capita	US$ 241
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	12.30%
Currency	Leone
Inflation	9.70%
Exports	US$ 273 m
Imports	US$ 351 m
Main destinations of exports	Belgium, Germany, US, India
Main sources of imports	Germany, Côte d'Ivoire, UK, US
Foreign direct investment	US$ 5 m
Effective company tax rate	233.50%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	3
HIV prevalence	1.60%
Capital formation/GDP ratio	11.00%
Contribution to GDP by agriculture	46.20%
Key exports	Diamonds, cocoa beans
Key imports	Fuel & lubricants, food, machinery & transport equipment

Sierra Leone	
Energy	
Power stations	18
GwH 2007	277
Tons CO2 2007	11 844
Intensity 2007	942
Fossil 2007	92.15%
Hydro 2007	7.85%
Electricity consumption per capita	13 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	22
Fixed telephone lines per 1000 people	-
Internet penetration % of population	0.2%
Tax indicators	
Companies:	
Company tax: Resident companies	30.00%
Company tax: Non-resident companies	25.00%
Secondary Tax on Companies (STC)	None
General sales tax	15.00%
Value-added tax	None
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	30.00%
Basis of taxation	Source-based / Entire income / Residence-based
Withholding tax:	
Interest	15.00%
Dividends	10.00%
Royalties	25.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	None

Togo



The Togolese Republic is in Western Africa. It is bordered by the Bight of Benin, Ghana, Burkina Faso, and Benin. Lome is the capital city. Togo is divided into five regions: Centrale, Kara, Maritime, Plateaux and Savanes. Togo is a long, narrow country which extends through a number of different geographic regions. The terrain consists of low coastal plain, plateau in the south, central hills, and savannah in the north. Rivers include the Mono and the Oti. The climate of Togo varies from tropical in the south of the country to semi-arid in the north. This tiny country, with a brave heart participates in providing year-round sports training and athletic competitions for more than 2.8 million people with intellectual disabilities in more than 180 countries. Togo's specialities are football and athletics.

"Every day, on dusty fields and grassy tracks across the region our athletes strive, overcoming obstacles, trying, succeeding, and exceeding our expectations. Reminding us of the can in every can't, the ability in every disability."

Dr John Dow Jr.
Regional Managing Director Special Olympics – Africa

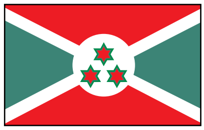
Togo	
General information	
Official language	French
Other key languages	Ewe, Voltaic, Kabre
Major religious groups	Ethnic (voodoo), Christian, Muslim
Capital	Lomè
Population	6.6 m
Land area	56,785 km²
Population density (people/km²)	116
Adult literacy rate	66.00%
Life expectancy at birth	58 years
Key economic data	
GDP	US$ 2.2 bn
GDP per capita	US$ 333
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	2.30%
Currency	CFA franc
Inflation	2.20%
Exports	US$ 650 m
Imports	US$ 1,073 m
Main destinations of exports	Burkina Faso; Ghana, Benin
Main sources of imports	China, India, France
Foreign direct investment	US$ 60 m
Effective company tax rate	48.20%
Public expenditure on education (% of GDP 2001-05)	3.00%
Physicians per 100,000 people	4
HIV prevalence	3.20%
Capital formation/GDP ratio	18.00%
Contribution to GDP by agriculture	41.90%
Key exports	Cotton, phosphates, coffee, cocoa
Key imports	Capital goods, food, petroleum products

Togo	
Energy	
Power stations	7
GwH 2007	172
Tons CO2 2007	5 132
Intensity 2007	659
Fossil 2007	59.22%
Hydro 2007	40.78%
Electricity consumption per capita	108 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	72
Fixed telephone lines per 1000 people Internet penetration % of population	10 5.5%
Tax indicators	
Companies:	
Company tax: Resident companies	37% (for manufacturing companies), 40% (for other legal entities)
Company tax: Non-resident companies	15.00%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	55.00%
Basis of taxation	Source-based
Residence-based	
Withholding tax:	
Interest	15% (legal entities) 10% (natural person)
Dividends	20% (legal entities)10% (natural person)
Royalties	15.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	No specific tax

Central Africa

Central Africa is a core region of the African continent, often considered to include Burundi, the Central African Republic, Chad, Democratic Republic of the Congo, and Rwanda. Middle Africa (as used by the United Nations when categorising geographic sub-regions) is an analogous term that describes the portion of Africa south of the Sahara Desert, east of Western Africa, but west of the Great Rift Valley. The region is dominated by the Congo River and its tributaries, which collectively drain a greater area than any river system except the Amazon. According to the UN, the nine countries of Middle Africa are Angola, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Republic of the Congo, Equatorial Guinea, Gabon, and São Tomé and Príncipe. All of the states in the UN sub-region of Middle Africa, plus those otherwise commonly reckoned in central Africa (11 states in total), comprise the Economic Community of Central African States.

Burundi



The original inhabitants of Burundi were the Twa, a Pygmy people who now make up only 1% of the population. Today the population is divided between the Hutu (approximately 85%) and the Tutsi, approximately 14%. While the Hutu and Tutsi are considered to be two separate ethnic groups, scholars point out that they speak the same language, have a history of intermarriage, and share many cultural characteristics. Traditionally, the differences between the two groups were occupational rather than ethnic. Agricultural people were considered Hutu, while the cattle-owning elite were identified as Tutsi.

Burundi is a landlocked country in the centre of Africa. It is bound by Rwanda to the north, Tanzania to the east and south, Lake Tanganyika to the southwest and Democratic Republic of the Congo (Zaire) to the west. Burundi is a high rolling country that is part of the Great African Plateau while it forms the divide between the Nile and the Zaire River Basins and has three natural regions. The Rift Valley is also known as the Imbo, which is a narrow plain along the western border with Zaire. The eastern zone is known as Kumoso which consists of the central and eastern plateaux and the savannas of the eastern border. The central mountain region is a series of ridges that lie north to south.

Burundi has an equatorial climate that is uncomfortably hot but varies with altitude and season. There are two wet seasons alternating with two dry seasons. The dry seasons are between June to August and January to February with the long wet season between March to May and the short one between September to December. Rainfall is irregular falling mainly in the northwest with violent rainstorms common at higher altitudes. Average annual precipitation in Bujumbura is 850 mm and the average temperature is 24 degrees Celsius. The upper elevations of the Kumoso are generally cool with temperatures below 19 degrees Celsius (66 degrees Fahrenheit).

Considering Burundi's landlocked position, it is of interest to note that its main trading partners are Belgium, Luxembourg, Germany, France, Kenya, Japan, the UK, the USA and the Netherlands, only one of which is an African country. The primary products are bananas, beans, cassava, cobalt, coffee, coconuts, columbium, copper, maize, nickel, peat, phosphates, platinum, sweet potatoes, tantalum, tea, timber, tin, tungsten, uranium, vanadium, and the main industries; mining, agriculture, beverages, blankets, fishing, forestry, shoes, soaps. burundi also exports beer, cigarettes, coffee, cotton, soft drinks and tea.

Burundi	
General information	
Official language	French, Kirundi
Other key languages	Kishwahili
Major religious groups	Christian, Ethnic
Capital	Bujumbura
Population	8.5 m
Land area	27,834 km²
Population density (people/km²)	305
Adult literacy rate	56.00%
Life expectancy at birth	50 years
Key economic data	
GDP	US$ 1.0 bn
GDP per capita	US$ 118
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	2.50%

Burundi	
Key economic data (cont.)	
Currency	Burundi Franc
Inflation	2.80%
Exports	US$ 59 m
Imports	US$ 240 m
Main destinations of exports	Germany, Belgium, Pakistan, US, Rwanda
Main sources of imports	Kenya, Tanzania, US, Belgium, France
Foreign direct investment	US$ 3 m
Effective company tax rate	278.70%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	3
HIV prevalence	3.30%
Capital formation/GDP ratio	12.00%
Contribution to GDP by agriculture	38.30%
Key exports	Coffee, tea, manufactures
Key imports	Capital goods, food, intermediate goods, consumption goods
Energy	
Power stations	29
GwH 2007	143
Tons CO2 2007	227
Intensity 2007	35
Fossil 2007	2.37%
Hydro 2007	97.63%
Electricity consumption per capita	22 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	20
Fixed telephone lines per 1000 people	4
Internet penetration % of population	0.7%

Cameroon

Cameroon has a rich and diversified commodity-based economy. Agriculture was the sole engine of growth and foreign-exchange earnings until the late 1970s when oil became the primary engine of growth.

Food and export crops, livestock, fishing and forestry are the mainstay of the economy, accounting for about 29% of GDP, employing some 50% of the active population, and generating more than half of total export earnings. The petroleum and manufacturing sectors represent 20% of GDP. Of this the oil sector accounts for less than 5% of GDP but contributes 35% of government revenue and export receipts. Its contribution, however, is expected to diminish sharply in the next decade as most of the oilfields have started to mature. The secondary sector contributes 31% of GDP and employs 15% of the population.

Cameroon is the most important market in the Communauté économique et monétaire de l'Afrique centrale (CEMAC), accounting for nearly half of the GDP .

With forests and woodland making up nearly 78 percent of the country's area, the forestry sector is the country's second largest export earner after oil, generating around 20% of export revenue, and employing some 55,000 people. There is, however, a great untapped potential in the forestry sector – Cameroon could be one of the major exporters of timber and other wood products but is constrained by the lack of basic transport infrastructure, especially in the tropical rainforest region of the country. Recent reforms and the government's ban on the export of all unprocessed timber have resulted in increased processed timber production and export, but a 30% decline in unprocessed timber. Cameroon was previously the largest producer of logs in Africa, almost 60 percent of which were exported. Some 80% of forests have either been logged or allocated as logging concessions, mostly to French firms. According to the monthly report of the International Organisation of Tropical Timber, the wood market has been hard-hit by the world financial crisis, the country facing the worst market situation for 23 years. The wood export market has dropped by 13 percent. The highest demand for wood by the close of 2008 still remains India, China, and Indonesia.

The main cash crops, which provide about 40 percent of Cameroon exports, are cocoa (Cameroon is the world's fifth-largest producer), coffee and cotton.

In New York, the demand for cocoa peaked highest within the last five months for technical reasons and the regain of value of the Pound Sterling. According to reports published on 30 January 2009, cocoa supply deficits from African countries for 2008/2009 stands at 45 000 tonnes. The average price for coffee has dropped substantially. In Cameroon, however, due to intensive campaign from the Cocoa and Coffee Board, production of Robusta and Arabica coffee increased by 10 percent by the close of 2008.

Cameroon	
General information	
Official language	French, English
Other key languages	Fulani, Sao, Bamileke
Major religious groups	Animist, Christian (Roman Catholic), Sunni Islam, Muslim
Capital	Yaoundé
Population	18.5 m
Land area	475,422 km²
Population density (people/km²)	39
Adult literacy rate	79.00%
Life expectancy at birth	50 years

Cameroon	
Key economic data	
GDP	US$ 16.5 bn
GDP per capita	US$ 892
PPP GDP per capita	US$ 1,851
Average Real GDP growth 2000-06	3.60%
Currency	CFA franc
Inflation	5.10%
Exports	US$ 3,590 m
Imports	US$ 3,140 m
Main destinations of exports	Spain, Italy, UK, France, US
Main sources of imports	France, Nigeria, Belgium, China, US
Foreign direct investment	US$ 147m
Effective company tax rate	51.90%
Public expenditure on education (% of GDP 2001-05)	2.00%
Physicians per 100,000 people	19
HIV prevalence	5.40%
Capital formation/GDP ratio	18.00%
Contribution to GDP by agriculture	20.90%
Key exports	Crude oil, timber, cocoa, cotton
Key imports	Minerals & raw materials, semi-finished goods, enterprise consumption, industrial equipment
Energy	
Power stations	19
GwH 2007	4152
Tons CO2 2007	14320
Intensity 2007	76
Fossil 2007	6.78%
Hydro 2007	93.22%
Electricity consumption per capita	236 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	138
Fixed telephone lines per 1000 people	6
Internet penetration % of population	2.0%

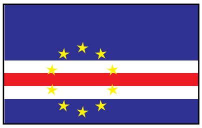
Cameroon

Tax indicators

Companies:	
Company tax: Resident companies	38,5%
Company tax: Non-resident companies	38,5%
Secondary Tax on Companies (STC)	Non applicable
General sales tax	Non applicable
Value-added tax	19,25%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	38,5%
Basis of taxation	It is both a source based and residence based tax. The personal income is payable by any natural person whose tax domicile is in Cameroon. Persons whose tax domicile is situated out of Cameroon are liable to the personal income tax for any profits earned in Cameroon.
Withholding tax:	
Interest	16,5%[1]
Dividends	16,5%[2]
Royalties	15.00%
Exchange controls	Exist
Double tax treaties	Exist[3]
Capital gains tax	The rate applicable for capital gains in case of transfer of shares is 16,5% for individuals. For the other transactions the rate is 38, 5% for companies and between 10 and 38, 5% for individuals.[4]

1. When interest is paid abroad on loans, they are not subject to withholding tax.
2. The rate applicable is 15% for dividends paid in France.
3. There are double tax treaties between Cameroon and France, Canada and Tunisia. There is a double tax treaty between countries of CEMAC Zone.
4. A discharge rate of 10% applies to the real estate capital gains realized by individuals.

Cape Verde



To visit this country – a series of unlikely volcanic islands some 500km off the coast of Senegal – is to understand the strange, bittersweet amalgam of West African rhythms and mournful Portuguese melodies that shape her music. It's not just open ocean that separates Cape Verde from the rest of West Africa. Cool currents keep temperatures moderate, and conversely a stable political and economic system help support West Africa's highest standard of living. The population, who represent varying degrees of African and Portuguese heritage, will seem exuberantly warm if you fly in straight from, say, Britain, but refreshingly low-key if you arrive from Lagos or Dakar.

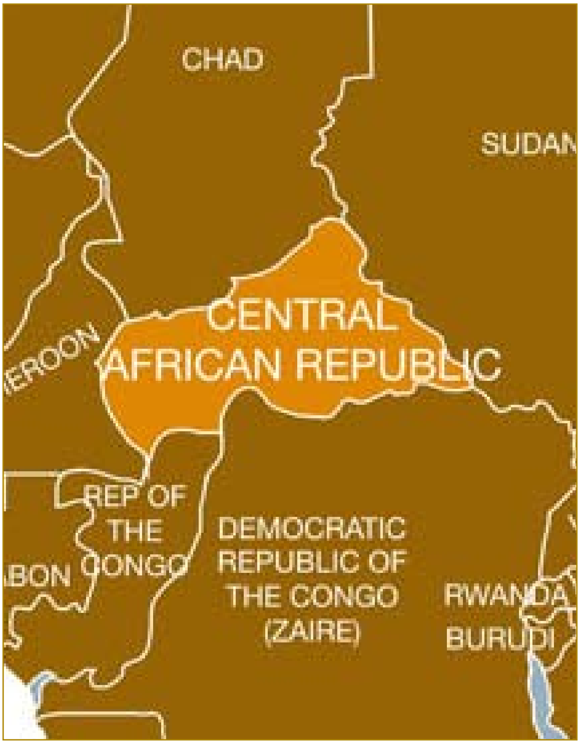
Cape Verde is facing a severe water shortage, yet households, agriculture, and industry need more water every year. Ongoing studies show that capturing water from mist could provide an unlimited source of water, particularly in high altitude areas above 500 m.

Cape Verde enjoys a per capita income that is higher than that of many continental African nations. It has sought closer economic ties with the US, EU and Portugal. Tourism is on the rise, but there are concerns that it poses a threat to the Cape Verde's rich marine life. It is an important nesting site for loggerhead turtles and humpback whales feed in the islands' waters.

Cape Verde	
General information	
Official language	Portuguese
Other key languages	Crioulo (Creole)
Major religious groups	Christian (Roman Catholic)
Capital	Praia
Population	0.51 m
Land area	4,033 km^2
Population density (people/km^2)	124
Adult literacy rate	79.00%
Life expectancy at birth	72 years
Key economic data	
GDP	US$ 1.2 bn
GDP per capita	US$ 2,353
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Escudo
Inflation	5.40%
Exports	US$ 122 m
Imports	US$ 563 m
Main destinations of exports	Portugal, US, UK, Denmark, Germany
Main sources of imports	Portugal, US, Netherlands, Spain, Italy
Foreign direct investment	US$ 20 m
Effective company tax rate	54.00%
Public expenditure on education (% of GDP 2001-05)	7.00%
Physicians per 100,000 people	49
HIV prevalence	-
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a

Cape Verde	
Key economic data (cont.)	
Key exports	Fuel, clothing, shoes & shoe parts, fish & crustaceans
Key imports	Consumer goods, intermediary goods, capital goods, petroleum
Energy	
Power stations	34
GwH 2007	58
Tons CO2 2007	3 100
Intensity 2007	1 170
Fossil 2007	86.92%
Renewable 2007	12.93%
Electricity consumption per capita	576 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	161
Internet penetration % of population	8.7%

Central African Republic



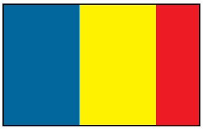
The Central African Republic possesses considerable agricultural, water and mineral resources. The country is endowed with virgin rainforests and has some of the highest densities of lowland gorillas and forest elephants in Africa. Cotton crops are an important agricultural cash crop, but the harvest is at best unpredictable because of difficulties growers experience in the open market where the playing field has been disenfranchised by unfair subsidies given to substantial mechanised farmers in the US – these practices have changed the cotton trade globally. A small producer like the Central African Republic faces severe challenges competing in this market.

Annual subsidies for 142,000 cotton growers in the United States have averaged $3 billion in recent years. Eighty-five percent of these subsidies go to 25,000 farmers. This is roughly comparable in size to the entire economy of some African countries dependent on cotton exports.

Central African Republic	
General information	
Official language	French
Other key languages	Ubangi
Major religious groups	Christian, Ethnic
Capital	Bangui
Population	4.3 m
Land area	622,984 km²
Population density (people/km²)	7
Adult literacy rate	57.00%
Life expectancy at birth	45 years
Key economic data	
GDP	US$ 1.5 bn
GDP per capita	US$ 349
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	-0.60%
Currency	CFA Franc
Inflation	3.10%
Exports	US$ 158 m
Imports	US$ 203 m
Main destinations of exports	Belgium, Italy, Spain
Main sources of imports	France, US, Cameroon
Foreign direct investment	US$ -13 m
Effective company tax rate	203.80%
Public expenditure on education (% of GDP 2001-05)	0.00%
Physicians per 100,000 people	8
HIV prevalence	10.70%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	55.20%
Key exports	Timber, diamonds, cotton, coffee
Key imports	Oil, public investment programme (capital goods)

Central African Republic	
Energy	
Power stations	18
GwH 2007	111
Tons CO2 2007	1 241
Intensity 2007	247
Fossil 2007	18.65%
Hydro 2007	81.35%
Electricity consumption per capita	25 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	25
Fixed telephone lines per 1000 people	2
Internet penetration % of population	0.3%

Chad



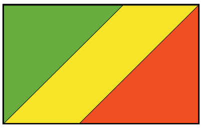
Around Lake Chad in central Africa, fishery fees are levied by three distinct groups: traditional authorities, the central government, and by soldiers. Such overlapping fees discourage low-income families from engaging in market transactions that would help them generate returns from their access to natural resources. In addition, well-intentioned environmental regulations are sometimes introduced in a draconian way that hurts the poor. In addition, as with many African countries dependence on single agricultural crops, Chad depends on cotton which represents 52% of total exports. Unfair subsidies are hugely disruptive, especially in Chad – a landlocked country – so much so that cotton farmers cannot compete at all.

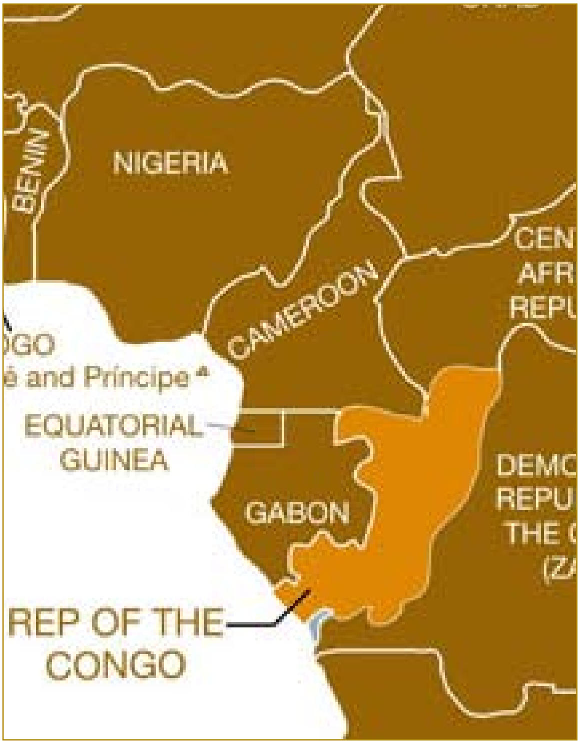
The overarching question in Chad is 'where is the WTO?'.

Chad	
General information	
Official language	Arabic, French
Other key languages	Nilo-Saharan (Bagirmi,
	Sara, Maba, Kanuri)
Major religious groups	Ethnic, Muslim, Christian
Capital	N'Djamena
Population	10.7 m
Land area	1,284,000 km²
Population density (people/km²)	8
Adult literacy rate	54.00%
Life expectancy at birth	51 years
Key economic data	
GDP	US$ 6.5 bn
GDP per capita	US$ 607
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	14.30%
Currency	CFA Franc
Inflation	8.00%
Exports	US$ 3,749 m
Imports	US$ 1,007 m
Main destinations of exports	US, China, Portugal, South Korea, Germany
Main sources of imports	France, Cameroon, US, Portugal, Germany
Foreign direct investment	US$ 478 m
Effective company tax rate	63.70%
Public expenditure on education (% of GDP 2001-05)	2.00%
Physicians per 100,000 people	4
HIV prevalence	3.50%
Capital formation/GDP ratio	22.00%
Contribution to GDP by agriculture	26.10%
Key exports	Livestock & meat, cotton, oil
Key imports	Oil

Chad	
Energy	
Power stations	8
GwH 2007	120
Tons CO2 2007	6 832
Intensity 2007	1 253
Electricity consumption per capita	9 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	22
Fixed telephone lines per 1000 people	1
Internet penetration % of population	0.6%
Tax indicators	
Companies:	
Company tax: Resident companies	40.00%
Company tax: Non-resident companies	40.00%
Secondary Tax on Companies (STC)	Non applicable
General sales tax	Non applicable
Value-added tax	18.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	60.00%
Basis of taxation Residence-based	Tax is both source-based and residence-based. The people of Chad or foreign nationality who are resident in the Republic of Chad are taxed on personal income. Those whose tax residence is outside of Chad are liable to pay tax on revenue earned in Chad.
Withholding tax:	
Interest	20.00%
Dividends	20.00%
Royalties	20.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	40% for companies and between 10, 5% and 60% for individuals. A discharge rate of 25% applies to the real estate capital gains realized by individuals and companies.
	Chad is signatory the double taxation treaty between the countries of the Cemac Zone.

Congo, Republic of (Brazzaville)



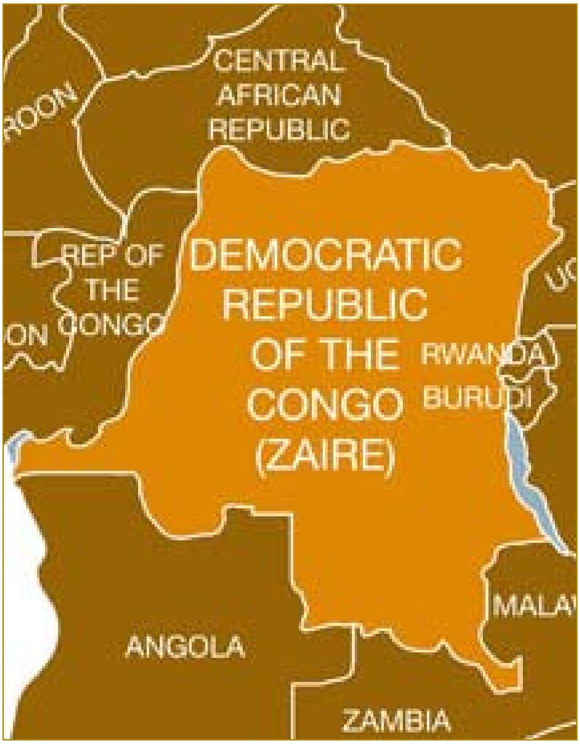


The Republic of Congo is one of Sub-Saharan Africa's main oil producers, though 70 percent of the population lives in poverty. Oil is the mainstay of the economy and in recent years the country has tried to increase financial transparency in the sector.

Congo Republic of (Brazzaville)	
General information	
Official language	French
Other key languages	Bantu, Kitube, Lingala
Major religious groups	Ethnic, Christian
Capital	Brazzaville
Population	3.8 m
Land area	342,000 km²
Population density (people/km²)	11
Adult literacy rate	87.00%
Life expectancy at birth	55 years
Key economic data	
GDP	US$ 7.7 bn
GDP per capita	US$ 2026
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	4.70%
Currency	CFA Franc
Inflation	6.50%
Exports	US$ 6,064 m
Imports	US$ 2,002 m
Main destinations of exports	China, North Korea, US, France
Main sources of imports	France, US, Germany, Italy
Foreign direct investment	US$ 668 m
Effective company tax rate	65.40%
Public expenditure on education (% of GDP 2001-05)	2.00%
Physicians per 100,000 people	20
HIV prevalence	5.30%
Capital formation/GDP ratio	24.00%
Contribution to GDP by agriculture	5.70%
Key exports	Petroleum, petroleum products, timber, sugar
Key imports	Petroleum & products

Congo Republic of (Brazzaville)	
Energy	
Power stations	90
GwH 2007	7 341
Tons CO2 2007	1 455
Intensity 2007	4
Fossil 2007	28.00%
Hydro 2007	99.72%
Electricity consumption per capita	213 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	123
Fixed telephone lines per 1000 people	4
Internet penetration % of population	1.8%
Tax indicators	
Companies:	
Company tax: Resident companies	35% of gross revenues 22%-38% net profit
Company tax: Non-resident companies	20% gross income
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	18% + additional tax 5% of VAT
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	50.00%
Basis of taxation	Gross income after deduction of pension and 20% of expenses
Withholding tax:	
Interest	20% (interest paid to non resident)
Dividends	20.00%
Royalties	20% (interest paid to non resident)
Exchange controls	Exist (CEMAC regulation n°02/00)
Double tax treaties	Exist (France, OCAM, CEMAC)
Capital gains tax	25.00%

Democratic Republic of Congo



Communities own or manage a significant percentage of the world's forests, some 22 percent in developing countries are the main custodians. However, the fraction of forest under community management varies widely by country.

The DRC has the second largest rainforest in the world. With 86 million hectares of area (215 million acres) covered by rainforests, DRC accounts for over half of the total remaining rainforests in the Central Africa region. Congolese forests are a vital resource, both for the Congolese people and the global environment. About 40 million rural Congolese depend on the forests for their food, income, energy, shelter, medicines and cultural needs. Indigenous groups, including the Pygmies, rely almost entirely on the forests. Described as the "second lung" of the planet for their ability to store carbon dioxide on a global scale, the Congolese forests play an important role in attenuating climate change. The forests also harbour amazing animal and plant diversity including endemic species such as Bonobo chimpanzees and the Okapi. The forests of the Democratic Republic of Congo are important to the livelihood of rural and forest communities, to the Congolese economy and to the global environment.

It is a known fact that deforestation (and CO_2 emissions) is driven primarily by small-scale farming, firewood and charcoal production. Annual deforestation rates have remained relatively low in recent years (around 0.27%) but can escalate rapidly as political stability and improved transport open the door to markets, investments and migration. Deforestation occurs primarily in heavier populated areas in the dry forest and mountain forest zone, rather than in more remote rainforests. Solutions to deforestation require targeted agriculture intensification and income generation programs, and cannot be found within the forest sector alone. Industrial logging removes only a few trees per hectares, and in itself has a modest impact on deforestation. However, by improving access, attracting workers and facilitating transport, it can trigger conditions that are conducive to deforestation.

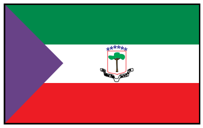
The rainforests of the DRC are the lungs of equatorial Africa, and need to be preserved, no matter what the cost – the alternative is of such great moment that it cannot be ignored. A powerful new approach will be international funding to create the incentive to avoid further deforestation to conserve the biodiversity and sequester the carbon in the forests. The World Bank is spearheading powerful solutions to this challenge.

Democratic Republic of Congo	
General information	
Official language	French
Other key languages	English, Swahili, Lingala, Kikongo/Kituba, Ishiluba/Kiluba
Major religious groups	Christian, Ethnic
Capital	Kinshasa
Population	62.6 m
Land area	2,344,858km^2
Population density (people/km^2)	27
Adult literacy rate	70.00%
Life expectancy at birth	46 years
Key economic data	
GDP	US$ 8.5 bn
GDP per capita	US$ 136
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	4.50%

Democratic Republic of Congo	
Key economic data (cont.)	
Currency	Congo Franc
Inflation	13.10%
Exports	US$ 2,350 m
Imports	US$ 2,780 m
Main destinations of exports	Belgium, Finland, Zimbabwe, US
Main sources of imports	South Africa, Belgium, France, Kenya
Foreign direct investment	US$ 900 m
Effective company tax rate	229.80%
Public expenditure on education (% of GDP 2001-05)	8.00%
Physicians per 100,000 people	11
HIV prevalence	3.10%
Capital formation/GDP ratio	16.00%
Contribution to GDP by agriculture	47.90%
Key exports	Diamonds, crude oil, cobalt, copper, timber
Key imports	Consumer goods, raw materials, capital goods
Energy	
Power stations	16
GwH 2007	421
Tons CO2 2007	2 453
Intensity 2007	128
Fossil 2007	8.44%
Hydro 2007	83.05%
Renewable 2007	4.77%
Electricity consumption per capita	89 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	48
Fixed telephone lines per 1000 people	-
Internet penetration % of population	0.3%

Democratic Republic of Congo	
Tax indicators	
Companies:	
Company tax: Resident companies	40% (30% in the mining sector)
Company tax: Non-resident companies	n/a
Secondary Tax on Companies (STC)	n/a
General sales tax	(Essentially) 18% on local services, 30 % on foreign services, 15% or 3% on local sales of products manufactured locally and importations
Value-added tax	n/a
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	30% (global tax pressure for a taxable income beyond the threshold of USD 330)
Basis of taxation	DRC sourced income
Withholding tax:	
Interest	20% (none in the mining sector under certain conditions)
Dividends	20% (10% in the mining sector)
Royalties	14.00%
Exchange controls	Exist
Double tax treaties	Do not exist
Capital gains tax	40% (in fact, included in the Corporate tax basis)

Equatorial Guinea



Equatorial Guinea offers true adventure. On Bioko Island, beyond the startling build up of the oil-soaked capital, Malabo, are volcanic views, rainforests full of endangered primates and shores of nesting sea turtles. On the mainland, Bata is a pleasant colonial town undergoing an oil-fuelled face-lift, the wildlife-filled rainforest of Monte Alen National Park is a hidden treasure, and the remote island of Corisco offers truly deserted white-sand beaches and small communities of traditional cultures.

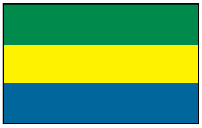
Equatorial Guinea is forging ahead with a gas gathering project that it hopes will double the country's output; deepen links with gas-hungry European nations. International companies will help state gas company Sonagas complete a draft gas master plan for Equatorial Guinea. The consortium, known as 3G, is central to a drive by sub-Saharan Africa's third largest oil producer to tap into its own and regional natural gas reserves, most of which are lost due to flaring from wells. Equatorial Guinea produces 3.7 million tonnes of liquefied natural gas (LNG) from its first processing train that started production at its Punta Europe terminal in May 2007.

The ensuing development of oil may have adverse environmental consequences in future, although if development is handled correctly this country could develop into a future tourist attraction of note. Before then, as with all commodity based economies, the economic downturn may be difficult to navigate.

Equatorial Guinea	
General information	
Official language	Spanish
Other key languages	French, Fang, Bubi, Krio
Major religious groups	Christian, Ethnic
Capital	Malabo
Population	0.5m
Land area	28,051 km²
Population density (people/km²)	18
Adult literacy rate	89.00%
Life expectancy at birth	52 years
Key economic data	
GDP	US$ 8.2 bn
GDP per capita	US$ 16400
PPP GDP per capita	US$ 26,471
Average Real GDP growth 2000-06	n/a
Currency	CFA franc
Inflation	5.00%
Exports	US$ 8,200 m
Imports	US$ 2,600 m
Main destinations of exports	US, China, Spain, Canada
Main sources of imports	US, Côte d'Ivoire
Foreign direct investment	US$ 1,664 m
Effective company tax rate	62.20%
Public expenditure on education (% of GDP 2001-05)	1.00%
Physicians per 100,000 people	30
HIV prevalence	3.20%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a

Equatorial Guinea	
Key economic data (cont.)	
Key exports	Oil & gas, timber, cocoa
Key imports	Oil-related investments, public sector imports, oil products
Energy	
Power stations	9
GwH 2007	49
Tons CO2 2007	1 994
Intensity 2007	892
Fossil 2007	63.59%
Hydro 2007	36.41%
Electricity consumption per capita	56 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	192
Fixed telephone lines per 1000 people	20
Internet penetration % of population	1.3%
Tax indicators	
Companies:	
Company tax: Resident companies	35.00%
Company tax: Non-resident companies	10 % (withholding tax)
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	15.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	35.00%
Basis of taxation	Depending on the residency status: Entire income or Residence-based
Withholding tax on non resident persons :	
Interest	25.00%
Dividends	25.00%
Royalties	25.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	35.00%

Gabon



The World Bank is helping to fight poverty and improve living standards for the people of Gabon. As of August 2006, the World Bank had approved 25 loans for Gabon for a total amount of approximately US$297 million. The commitment value of three ongoing projects is about US$50 million.

Gabon was a French colony from 1885 to 1960. In 1910, Gabon became one of the four territories of French Equatorial Africa, a federation that survived until 1959. The territories became independent in 1960 as the Central African Republic, Chad, Congo (Brazzaville), and Gabon. The first president of independent Gabon, Mr. Leon M'ba, died in 1967, and was replaced by the then Vice President, Mr. Omar Bongo Ondimba. Gabon has been politically stable since its independence. President Omar Bongo Ondimba has succeeded in maintaining political stability and social peace in the country.

As one of Africa's few IBRD[10] countries, Gabon's GNI per capita (Atlas method) is US$6,670 in 2007, is well above the Sub-Saharan African (SSA) average. The economy depends to a large extent on oil production, but the government has started exploring the country's potential for economic diversification.

10 International Bank for Reconstruction and Development (World Bank).

Gabon	
General information	
Official language	French
Other key languages	Fang, Myene, Bateke
Major religious groups	Christian, Ethnic
Capital	Libreville
Population	1.3 m
Land area	267,667 km²
Population density (people/km²)	5
Adult literacy rate	84.00%
Life expectancy at birth	57 years
Key economic data	
GDP	US$ 8.5 bn
GDP per capita	US$ 6538
PPP GDP per capita	US$ 14,019
Average Real GDP growth 2000-06	n/a
Currency	CFA Franc
Inflation	-1.40%
Exports	US$ 6,000 m
Imports	US$ 1,700 m
Main destinations of exports	US, China, France, Trinidad and Tobago
Main sources of imports	France, US, UK, Netherlands
Foreign direct investment	US$ 323 m
Effective company tax rate	44.20%
Public expenditure on education (% of GDP 2001-05)	4.00%
Physicians per 100,000 people	29
HIV prevalence	7.90%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Petroleum (crude), timber, manganese
Key imports	Machinery & mechanical appliances, prepared foodstuffs
Energy	
Power stations	37
GwH 2007	1 460
Tons CO2 2007	32 123

Gabon	
Energy (cont.)	
Intensity 2007	485
Fossil 2007	44.52%
Hydro 2007	55.48%
Electricity consumption per capita	1223 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	470
Fixed telephone lines per 1000 people	28
Internet penetration % of population	5.5%
Tax indicators	
Companies:	
Company tax: Resident companies	35.00%
Company tax: Non-resident companies	10% withholding tax
Secondary Tax on Companies (STC)	Not applicable
General sales tax	Not applicable
Value-added tax	There are three rates 18% – 10% – 0%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	50.00% (Please note concerning this tax that the income tax for individuals in Gabon is calculated on the basis of a progressive rate. There are no exact rates corresponding to an income bracket.
Basis of taxation	Source-based / Residence-based
Withholding tax:	
Interest	20% withholding
Dividends	20% withholding
Royalties	10% withholding (for payments made abroad)
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	• 35% for companies; • capital gains are taxable under the personal income tax basis for individuals.

Rwanda

Rwanda is a small, landlocked country in Central Africa with nine million people and a high population density (337 people per sq. km). Rwanda became independent in 1962 after colonization by Germany (1899) and Belgium (1919). In 1961, its government was formally abolished by a referendum and the first parliamentary elections were held. Rwanda has made remarkable progress since the 1994 genocide and civil war. Peace and political stability have been re-established, reconciliation efforts are continuing, and democratic institutions and processes are being strengthened. Poverty and social indicators have also improved. Rwanda has been able to maintain overall macroeconomic stability and implement extensive reforms which have contributed to a strong growth performance.

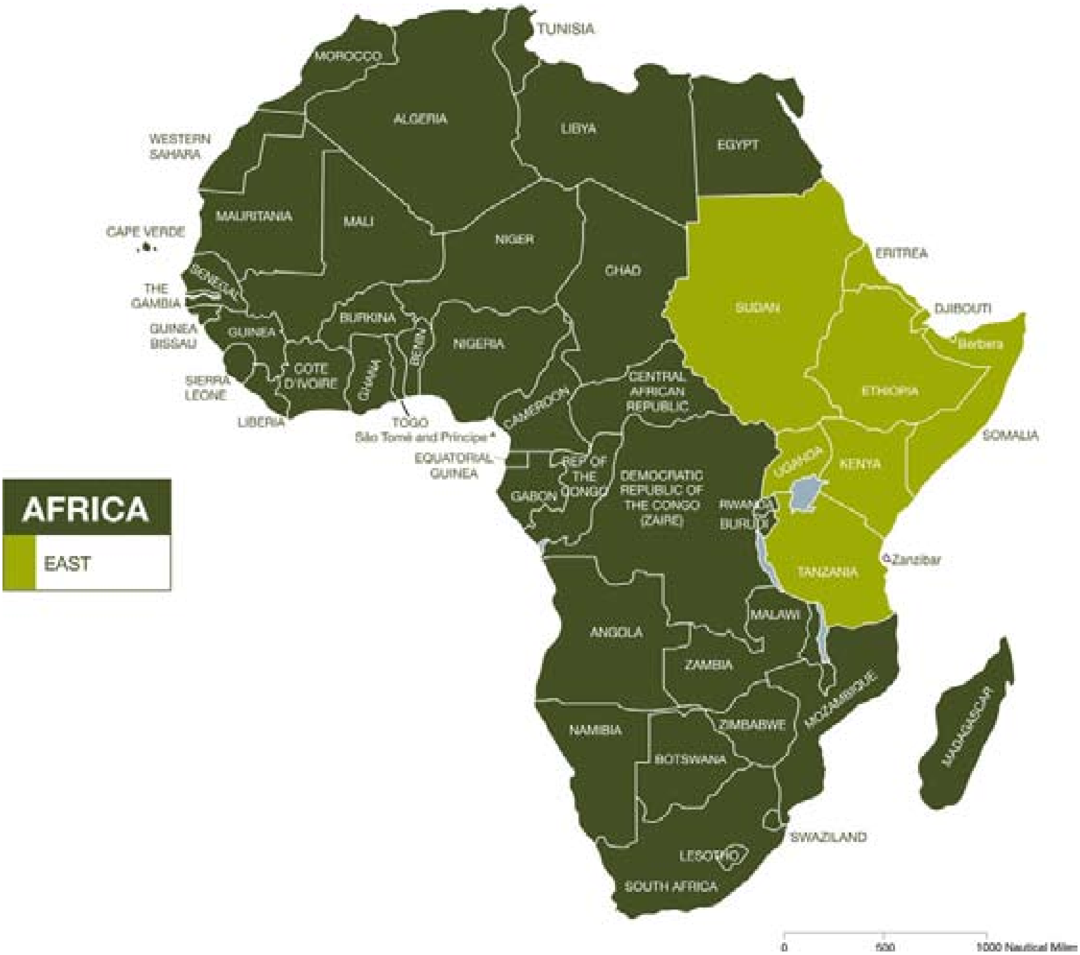
Rwanda 's US$ 3.3 billion economy grew 5.5 percent terms in 2006 and an estimated 6 percent in 2007. This is slightly below the GDP growth rates of the preceding decade (1995-2005), which averaged 7.4 percent per year. Agriculture and rural development form the current base of the economy and are key sources of growth, employment and poverty reduction in the short to medium term. Strong implementation of macroeconomic policies enabled Rwanda to reach completion point for the Highly Indebted Poor Countries Initiative (HIPC) in March 2005 and to qualify for the Multilateral Debt Relief Initiative (MDRI) in March 2006. Parallel efforts have been made to put in place a sound economic governance framework, including independent regulatory agencies, stronger public expenditure management systems with independent audit agencies, and a strong focus on anti-corruption. Inflation has been contained at less than 10 percent most of the time since 1997. Rwanda is on track to achieve several of the Millennium Development Goals.

Rwanda	
General information	
Official language	French, Kinyarwanda, English
Other key languages	Kishwahili
Major religious groups	Christian, Ethnic, Muslim
Capital	Kigali
Population	9.8 m
Land area	26,338 km²
Population density (people/km²)	372
Adult literacy rate	75.00%
Life expectancy at birth	46 years
Key economic data	
GDP	US$ 2.5 bn
GDP per capita	US$ 255
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	5.10%
Currency	Rwanda Franc
Inflation	8.90%
Exports	US$ 145 m
Imports	US$ 488 m
Main destinations of exports	Indonesia, China, Germany, Malaysia, US
Main sources of imports	Kenya, Germany, Belgium, Uganda, France
Foreign direct investment	US$ 11 m
Effective company tax rate	33.80%

Rwanda	
Key economic data (cont.)	
Public expenditure on education (% of GDP 2001-05)	4.00%
Physicians per 100,000 people	5
HIV prevalence	3.10%
Capital formation/GDP ratio	21.00%
Contribution to GDP by agriculture	41.60%
Key exports	Coffee, tea, cassiterite & tin, coltan
Key imports	Energy, capital goods
Energy	
Power stations	15
GwH 2007	94
Tons CO2 2007	2
Intensity 2007	1
Fossil 2007	2.00%
Nuclear 2007	0.00%
Hydro 2007	95.60%
Renewable 2007	4.37%
Electricity consumption per capita	28 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	32
Fixed telephone lines per 1000 people	3
Internet penetration % of population	1.5%
Tax indicators	
Companies:	
Company tax: Resident companies	30.00%
Company tax: Non-resident companies	30.00%
Secondary Tax on Companies (STC)	None
General sales tax	4.00%
Value-added tax	18.00%

Rwanda	
Tax indicators (cont.)	
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	30.00%
Basis of taxation	Residence-based
Withholding tax:	
Interest	15.00%
Dividends	15.00%
Royalties	15.00%
Exchange controls	Do not exist (Liberalised)
Double tax treaties	Exist
Capital gains tax	30.00%

East Africa


AFRICA
EAST
TUNISIA
MOROCCO
ALGERIA
LIBYA
EGYPT
WESTERN SAHARA
MAURITANIA
MALI
NIGER
CHAD
SUDAN
ERITREA
DJIBOUTI
Berbera
ETHIOPIA
SOMALIA
CAPE VERDE
THE GAMBIA
SENEGAL
GUINEA BISSAU
GUINEA
SIERRA LEONE
LIBERIA
COTE D'IVOIRE
BURKINA
GHANA
TOGO
BENIN
NIGERIA
São Tomé and Príncipe
EQUATORIAL GUINEA
CAMEROON
CENTRAL AFRICAN REPUBLIC
GABON
REP OF THE CONGO
DEMOCRATIC REPUBLIC OF THE CONGO (ZAIRE)
UGANDA
KENYA
RWANDA
BURUNDI
TANZANIA
Zanzibar
MALAWI
ANGOLA
ZAMBIA
MOZAMBIQUE
ZIMBABWE
NAMIBIA
BOTSWANA
MADAGASCAR
SWAZILAND
LESOTHO
SOUTH AFRICA
0
500
1000 Nautical Miles

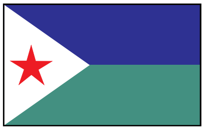
Some parts of East Africa have been renowned for their concentrations of wild animals, such as the "big five" of elephant, buffalo, lion, leopard and black rhinoceros, though populations have been declining under increased stress in recent times, particularly the rhino and elephant. The climate of East Africa is rather atypical of equatorial regions. Because of a combination of the region's generally high altitude and the rain shadow of the westerly monsoon winds created by the Rwenzori Mountains and Ethiopian Highlands, East Africa is surprisingly cool and dry for its latitude. The lower-lying lands of northern Kenya and Greater Somalia are indeed extremely dry. In fact, on the coast of Somaliland and Puntland many years have no rain whatsoever. Elsewhere the annual rainfall generally increases towards the south and with altitude, being around 400 millimetres at Mogadishu and 1,200 millimetres at Mombasa on the coast, whilst inland it increases from around 130 millimetres at Garoowe to over 1,100 millimetres at Moshi near Kilimanjaro. Unusually, most of the rain falls in two distinct wet seasons, one centred around April and the other in October or November. This is usually attributed to the passage of the Inter-tropical Convergence Zone across the region in those months, but it may also be analogous to the autumn monsoon rains of parts of Sri Lanka, Vietnam and the Brazilian Nordeste.

West of the Rwenzoris and Ethiopian highlands the rainfall pattern is more typically tropical, with rain throughout the year near the equator and a single wet season in most of the Ethiopian Highlands from June to September - contracting to July and August around Asmara. Annual rainfall here ranges from over 1,600 millimetres (63 in) on the western slopes to around 1,250 millimetres (49 in) at Addis Ababa and 550 millimetres (22 in) at Asmara. In the high mountains rainfall can be over 2,500 millimetres (98 in).

Rainfall in East Africa is influenced by El Niño events, which tend to increase rainfall except in the northern and western parts of the Ethiopian and Eritrean highlands, where they produce drought and poor Nile floods. Temperatures in East Africa, except on the hot and generally humid coastal belt, are moderate, with maxima of around 25 °C (77 °F) and minima of 15 °C (59 °F) at an altitude of 1,500 millimetres (5 ft). At altitudes of above 2,500 metres (8,202 ft), frosts are common during the dry season and maxima typically about 21 °C (70 °F) or less.

The unique geography and apparent suitability for farming made East Africa a target for European exploration, exploitation and colonialisation in the nineteenth century. Today, tourism is an important part of the economies of Kenya, Tanzania, and Uganda.

Djibouti



Djibouti has been an independent country since 1977. It experienced a civil war between 1991 and 1994 that damaged the economy. Since that time, Djibouti has benefited from political stability. The most recent elections took place in April 2005 (presidential) and in February 2008 (legislative). The economy is based on service activities (82% of GDP) related to the country's strategic location and status as a free trade zone in northeast Africa. Due to scanty rainfall, agriculture production is limited and counts for only 4% of GDP, while industry (14% of GDP) is very limited. Djibouti provides services as a transit port, mainly for Ethiopia, and an international trans-shipment and re-fuelling centre.

Djibouti	
General information	
Official language	Arabic, French
Other key languages	Somali
Major religious groups	Muslim, Christian
Capital	Djibouti
Population	0.8 m
Land area	23,200 km²
Population density (people/km²)	35
Adult literacy rate	72.00%
Life expectancy at birth	55 years
Key economic data	
GDP	US$ 0.8 bn
GDP per capita	US$ 1000
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Djibouti Franc
Inflation	3.50%
Exports	US$ 50 m
Imports	US$ 346 m
Main destinations of exports	Somalia, Yemen, Ethiopia, UK, India
Main sources of imports	Saudi Arabia, India, Ethiopia, China, France
Foreign direct investment	US$ 33 m
Effective company tax rate	38.70%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	18
HIV prevalence	7.10%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Re-exports, locally produced goods
Key imports	Food & beverages, petroleum products, khat, machinery & electrical equipment

Djibouti	
Energy	
Power stations	4
GwH 2007	214
Tons CO_2 2007	10 244
Intensity 2007	1 012
Electricity consumption per capita	290 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	56
Fixed telephone lines per 1000 people	14
Internet penetration % of population	2.2%

Eritrea

The World Bank is helping to fight poverty and improve living standards for the people of Eritrea. The World Bank has disbursed a total of US$402 million in currently active and closed projects to Eritrea. As of August 2006, the portfolio consisted of seven active projects for a commitment of approximately US$254.3 million and will impact the following areas:

- infrastructure;
- human development (education, health and social protection); and
- emergency demobilisation/social development.

Eritrea	
General information	
Official language	Arabic, Tigrinya
Other key languages	English, Saho
Major religious groups	Christian, Muslim
Capital	Asmara
Population	4.8 m
Land area	121,144 km²
Population density (people/km²)	40
Adult literacy rate	62.00%
Life expectancy at birth	58 years
Key economic data	
GDP	US$ 1.1 bn
GDP per capita	US$ 229
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	2.70%
Currency	Nafka
Inflation	16.70%
Exports	US$ 15 m
Imports	US$ 556 m
Main destinations of exports	Sudan, Italy, Djibouti, Germany, Ethiopia
Main sources of imports	United Arab Emirates, Saudi Arabia, Italy, Germany, Belgium
Foreign direct investment	US$ 30 m
Effective company tax rate	84.50%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	5
HIV prevalence	2.40%
Capital formation/GDP ratio	19.00%
Contribution to GDP by agriculture	17.10%
Key exports	Food & live animals, raw materials, manufactured goods
Key imports	Machinery & transport equipment, food & live animals, manufactured goods, chemicals & chemical products

Eritrea	
Energy	
Power stations	6
GwH 2007	280
Tons CO2 2007	12 570
Intensity 2007	990
Electricity consumption per capita	64 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	9
Internet penetration % of population	2.4%

Ethiopia

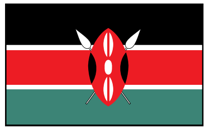
Of all countries in Africa, Ethiopia touches the soul age of antiquity. Ethiopia is one of the oldest continuous civilizations in the world. Most of us identify Ethiopia with the riches and daring of the Queen of Sheba (Saba). The land of Sheba was referred to as Saba by the Ethiopians. The actual name of the Queen of Sheba was Queen Makeda. The time span between the reigns of Queen Makeda and Emperor Hailie Selassie is approximately 3000 years. Most of the world is familiar with this period of history wherein Ethiopians ruled a great civilization. Most people are unaware of the existence of at least 97 other sovereign rulers who reigned prior to Queen Makeda. Once we include the rule of these 97 sovereigns, Ethiopian civilization can be traced back to 3000 BC. We are familiar with Ethiopia from passages in the Old and New Testaments of the bible. Genesis, Chapter 2, verse 13 refers to four rivers that flowed out of Eden. One of these is the River Gihon which is the river that encircles Cush (sometimes in the bible Cush and Ethiopia are used interchangeably). The Gihon is another name for the Blue Nile River of Ethiopia. Today it is a pleasurable experience to stay at the Gihon Hotel in Addis Ababa, Ethiopia.

The Ethiopians of what was known as the Axumite Empire minted, distributed and utilised coins for money. Hundreds of varieties of coins were minted in gold, silver and bronze during the Axumite Empire over a period that spanned 700 to 1000 years. Ethiopians (Axumites) also built numerous monuments, palaces, temples and other structures in northern Ethiopia. Some remain standing after 2000 years.

Ethiopia	
General information	
Official language	Amharic
Other key languages	Afro-Asiatic, Nilo-Saharan
Major religious groups	Christian, Muslim, Ethnic
Capital	Addis Ababa
Population	83.0 m
Land area	1,100,756 km²
General information	
Population density (people/km²)	75
Adult literacy rate	47.00%
Life expectancy at birth	53 years
Key economic data	
GDP	US$ 13.3 bn
GDP per capita	US$ 160
PPP GDP per capita	US$ 616
Average Real GDP growth 2000-06	5.70%
Currency	Birr
Inflation	12.30%
Exports	US$ 1,025 m
Imports	US$ 4,106 m
Main destinations of exports	Djibouti, Germany, Japan, Saudi Arabia
Main sources of imports	Saudi Arabia, US, China, Italy
Foreign direct investment	US$ 545 m
Effective company tax rate	31.10%
Public expenditure on education (% of GDP 2001-05)	6.00%
Physicians per 100,000 people	3
HIV prevalence	0.9% – 3.5%

Ethiopia	
Key economic data (cont.)	
Capital formation/GDP ratio	20.00%
Contribution to GDP by agriculture	43.90%
Key exports	Coffee, chat, oilseed, pulses
Key imports	Grains & cereals, fuel products, cars & service vehicles, telecommunications & computer equipment
Energy	
Power stations	70
GwH 2007	2 923
Tons CO2 2007	3 893
Intensity 2007	29
Fossil 2007	2.17%
Energy	
Nuclear 2007	0.00%
Hydro 2007	96.49%
Renewable 2007	1.34%
Electricity consumption per capita	36 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	6
Fixed telephone lines per 1000 people	9
Internet penetration % of population	0.4%

Kenya



In 2008, a new village was suddenly pinpointed on the Kenyan map. The rural landscape did not change, but the global perception of Kogelo came into sharp focus. Kogelo is identified as the place where US President Obama has his ancestral roots. For this, this village will be marked down in history as being unique. But Kenya is dotted with countless other villages, where Kenyans of less famous position are making a difference in the daily life of their communities.

Located in western Kenya, near to Kogelo, the Sauri cluster lies in Yala Division, Siaya District, and Nyanza Province. The general topography undulates verdant green as the swell of a great ocean where ephemeral streams, rivers, and wetlands wind between rounded hills. Sauri covers an area of 8km2 and is an amalgam of 11 millennium villages. The citizens are Kenyan, mainly from the Luo ethnic group. The languages spoken are Dholuo, Kiswahili, and English.

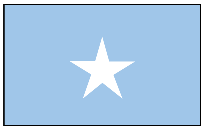
Kenya's economy is expected to grow by just over 4% in 2009. President Kibaki has warned that recessionary global trends were bound to hurt tourism, horticulture and floriculture.

Kenya	
General information	
Official language	Swahili, English
Other key languages	Kikuyu, Luhya, Luo, Kamba
Major religious groups	Christian, Ethnic, Muslim
Capital	Nairobi
Population	37.5 m
Land area	582,646 km²
Population density (people/km²)	64
Adult literacy rate	88.00%
Life expectancy at birth	54 years
Key economic data	
GDP	US$ 22.8 bn
GDP per capita	US$ 608
PPP GDP per capita	US$ 1,466
Average Real GDP growth 2000-06	3.80%
Currency	Kenya Shilling
Inflation	14.50%
Exports	US$ 3,500 m
Imports	US$ 6,800 m
Main destinations of exports	Uganda, UK, US, Netherlands
Main sources of imports	United Arab Emirates, Saudi Arabia, South Africa, US
Foreign direct investment	US$ 46 m
Effective company tax rate	50.90%
Public expenditure on education (% of GDP 2001-05)	7.00%
Physicians per 100,000 people	14
HIV prevalence	6.10%
Capital formation/GDP ratio	17.00%
Contribution to GDP by agriculture	28.20%
Key exports	Horticultural products, tea, coffee, fish products
Key imports	Industrial supplies, machinery & other capital equipment, consumer goods, food & beverages

Kenya	
Energy	
Power stations	63
GwH 2007	5 770
Tons CO2 2007	49 253
Intensity 2007	188
Fossil 2007	12.92%
Nuclear 2007	0.00%
Hydro 2007	58.03%
Renewable 2007	23.32%
Electricity consumption per capita	174 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	135
Fixed telephone lines per 1000 people	8
Internet penetration % of population	7.9%
Tax indicators	
Companies:	
Company tax: Resident companies	30.00%
Company tax: Non-resident companies	37.50%
Secondary Tax on Companies (STC)	Not applicable
General sales tax	Not applicable
Value-added tax	Taxable goods and services-16%
Export of goods and services	0
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	30.00%
Basis of taxation	Worldwide income
Withholding tax:	
Interest	Non-resident – 15%
	Residents – 15%, with some exceptions, for instance, interest on bearer instruments is at 25%

Kenya	
Tax indicators (cont.)	
Dividends	• Non-resident – 10% • Residents with - >12.5% voting power - Exempt • < 12.5% voting power - 5%
Royalties	• Non – resident 20% • Resident - 5% • Note: The non-resident rates indicated above could be lower where there is a DTA in force
Exchange controls	Do not exist
Double tax treaties	Treaties in force: Denmark, India, Norway, Sweden, Zambia, United Kingdom, Germany. The DTA with Francis is awaiting enactment.
Capital gains tax	None, suspended in 1985

Somalia



Somalia, situated in the Horn of Africa, lies along the Gulf of Aden and the Indian Ocean. It is bounded by Djibouti in the northwest, Ethiopia in the west, and Kenya in the southwest. In area it is slightly smaller than Texas. Generally arid and barren, Somalia has two chief rivers, the Shebelle and the Juba. From the 7th to the 10th century, Arab and Persian trading posts were established along the coast of present-day Somalia. Nomadic tribes occupied the interior, occasionally pushing into Ethiopian territory. In the 16th century, Turkish rule extended to the northern coast, and the sultans of Zanzibar gained control in the south.

After British occupation of Aden in 1839, the Somali coast became its source of food. The French established a coal-mining station in 1862 at the site of Djibouti, and the Italians planted a settlement in Eritrea. Egypt, which for a time claimed Turkish rights in the area, was succeeded by Britain. By 1920, a British and an Italian protectorate occupied what is now Somalia. The British ruled the entire area after 1941, with Italy returning in 1950 to serve as United Nations trustee for its former territory.

Africa’s worst drought of the century occurred in 1992.

Major climatic factors are a year-round hot climate, seasonal monsoon winds, and irregular rainfall with recurring droughts. Mean daily maximum temperatures range from 30 °C to 40 °C, except at higher elevations and along the east coast. Mean daily minimums usually vary from about 15 °C to 30 °C. The southwest monsoon, a sea breeze, makes the period from about May to October the mildest season at Mogadishu. The December-February period of the northeast monsoon is also relatively mild, although prevailing climatic conditions in Mogadishu are rarely pleasant. The “tangambili” periods that intervene between the two monsoons (October–November and March–May) are hot and humid.

The breadth of the AIDS pandemic has led to the idea in the West that the entire continent is ravaged by the disease. But Somalia — isolated for 14 years since the civil war began and populated by devout Muslims — has an infection rate of perhaps only 1.5 or 2 per cent of the adult population.

After livestock, bananas are the principal export; sugar, sorghum, maize, and fish are products for the domestic market. The small industrial sector, based on the processing of agricultural products, accounts for 10% of GDP. American and Chinese oil companies are also excited about the prospect of oil and other natural resources in Somalia. An oil group listed in Sydney, Range Resources, anticipates that the Puntland province in the north has the potential to produce 5 billion to 10 billion barrels of oil. While millions of Somalis receive food aid according to a study by the UNDP and the European Commission, it is estimated that as much as $1 billion USD is annually remitted to Somalia by Somalis in the diaspora via money transfer companies—far more than the amount of development funding flowing into the country.

Somalia	
General information	
Official language	Arabic, Somali
Other key languages	English, Italian, Swahili
Major religious groups	Muslim
Capital	Mogadishu
Population	8.7 m
Land area	637,657 km²
Population density (people/km²)	14
Adult literacy rate	30.00%
Life expectancy at birth	48 years

Somalia	
Key economic data	
GDP	n/a
GDP per capita	n/a
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Somali Shilling
Inflation	n/a
Exports	n/a
Imports	n/a
Main destinations of exports	United Arab Emirates, Yemen, Oman, Kuwait, Nigeria
Main sources of imports	Djibouti, Kenya, India, Brazil, Oman
Foreign direct investment	US$ 9 m
Effective company tax rate	n/a
Public expenditure on education (% of GDP 2001-05)	0.50%
Physicians per 100,000 people	n/a
HIV prevalence	n/a
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Livestock, bananas, hides & skins
Key imports	Manufactures, fuels
Energy	
Power stations	7
GwH 2007	316
Tons CO2 2007	13 321
Intensity 2007	930
Fossil 2007	92.23%
Hydro 2007	5.28%
Renewable 2007	2.49%
Electricity consumption per capita	n/a

Somalia	
Telecommunication	
Cellular telephone subscribers per 1,000 people	n/a
Fixed telephone lines per 1000 people	n/a
Internet penetration % of population	1.0%

Sudan

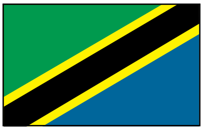
Along the banks of the Nile River in Sudan is some of the most fertile land in Africa. Sudan could be self-sufficient; it does have the potential to be the breadbasket of Africa.

Despite a harsh humanitarian situation in Darfur, and being the recipient of the most food aid, Sudan is actually a major exporter of sorghum, wheat, beans, peanuts, and tomatoes, among other crops. Just last year the U.S. shipped 283,000 tons of sorghum to Darfur — almost the exact same amount of sorghum exported by Sudan.

Sudan	
General information	
Official language	Arabic
Other key languages	Darfurian, Cushitic, NIlotic, Nilo-Hamitic
Major religious groups	Muslim, Ethnic, Christian
Capital	Khartoum
Population	38.6 m
Land area	2,505,813 km²
Population density (people/km²)	15
Adult literacy rate	61.00%
Life expectancy at birth	57 years
Key economic data	
GDP	US$ 36.6 bn
GDP per capita	US$ 948
PPP GDP per capita	US$ 1,897
Average Real GDP growth 2000-06	6.90%
Currency	Sudan Dinar
Inflation	7.20%
Exports	US$ 5,700 m
Imports	US$ 7,100 m
Main destinations of exports	China, Japan, Saudi Arabia, UAE
Main sources of imports	Saudi Arabia, China, UAE, Egypt
Foreign direct investment	US$ 1.5 m
Effective company tax rate	31.60%
Public expenditure on education (% of GDP 2001-05)	3.80%
Physicians per 100,000 people	22
HIV prevalence	1.60%
Capital formation/GDP ratio	25.00%
Contribution to GDP by agriculture	25.90%
Key exports	Crude oil, livestock, sesame, cotton
Key imports	Machinery & equipment, transport equipment, chemicals, wheat & wheat flour

Sudan	
Energy	
Power stations	48
GwH 2007	4 749
Tons CO2 2007	137 802
Intensity 2007	640
Fossil 2007	51.82%
Nuclear 2007	0.00%
Hydro 2007	25.90%
Renewable 2007	8.23%
Telecommunication	
Cellular telephone subscribers per 1,000 people	50
Fixed telephone lines per 1000 people	18
Internet penetration % of population	3.7%

Tanzania

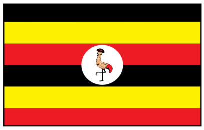


Tanzania captures the very essence of the African continent, and distils it into one country, an African Eden of natural riches and cultural wealth. This truly African country inspired Livingstone's travels and Hemingway's way with words capturing the country's beauty with the legacy proudly given the word 'safari' to the global travel. Tanzania is a land of contrasts and majesty, Africa at its most wild and unexplored. There is the snow-capped summit of Mount Kilimanjaro and the sun-kissed beaches of Zanzibar; the vast herds of game grazing on the Serengeti plains and the slow volcanic eruption of Ol Donyo Lengai. All these flavours of a country with unlimited potential to draw into its coffers the overwhelming wealth that real African tourism can bring at little infrastructural cost. The secret is to keep the wild Africa alive for just such an experience.

Tanzania	
General information	
Official language	English, Swahili
Other key languages	Sukuma, Cushitic, Khoisan
Major religious groups	Christian, Muslim, Ethnic, Hindu
Capital	Dodoma (formerly Dar es Salaam)
Population	40.4 m
Land area	945,087 km^2
Population density (people/km^2)	43
Adult literacy rate	82.00%
Life expectancy at birth	53 years
Key economic data	
GDP	US$ 12.4 bn
GDP per capita	US$ 307
PPP GDP per capita	US$ 979
Average Real GDP growth 2000-06	6.70%
Currency	Tanzania Shilling
Inflation	6.20%
Exports	US$ 1,723 m
Imports	US$ 3,864 m
Main destinations of exports	India, Spain, Netherlands, Japan
Main sources of imports	South Africa, China, India, Zambia
Foreign direct investment	US$ 470 m
Effective company tax rate	44.30%
Public expenditure on education (% of GDP 2001-05)	2.00%
Physicians per 100,000 people	2
HIV prevalence	6.50%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Gold, cotton, cashew nuts, coffee, tea
Key imports	Machinery, oil & other fuels, food & foodstuffs, industrial raw materials

Tanzania	
Energy	
Power stations	84
GwH 2007	2 004
Tons CO2 2007	10 058
Intensity 2007	111
Fossil 2007	6.99%
Nuclear 2007	0.00%
Hydro 2007	87.85%
Renewable 2007	4.07%
Electricity consumption per capita	83 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	52
Fixed telephone lines per 1000 people	4
Internet penetration % of population	1.0%
Tax indicators	
Companies:	
Company tax: Resident companies	30.00%
Company tax: Non-resident companies	30.00%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	20.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	30.00%
Basis of taxation	Residence and source
Withholding tax:	
Interest	10.00%
Dividends	10.00%
Royalties	15.00%
Exchange controls	Exist on capital account
Capital gains tax	10%, 20%, 30%

Uganda



Uganda is a beautiful country located on the equator in the great continent of Africa. Its neighbouring countries are Sudan to the North, Kenya to the East, Republic of Congo to the West, Tanzania and Rwanda to the South. Uganda is located on the most fertile plateau of Africa at a height of 1200 metres above sea level. Uganda has been called a land of lakes because there are many lakes covering almost a third of the country. Lake Victoria which is the largest in Africa dominates the southern part of the country.

There is fantastic art and craft produced in Uganda. A lot of people are skilled in making colourful crafts, almost in every village. Indigenous craft making skills are passed on from generation to generation and everything is learnt by imitation. The older people are specially regarded to have knowledge, wisdom and great skills in different areas of life so all the young people try to learn from them. Invariably, the many items made are used in day-to-day living, ranging from, mats, baskets, bark cloth made from a tree called Omutubba, stools, bags, chairs and tables, shoes and sandals, masks, paintings, musical instruments like drums and much more, many of the items with distinct tribal flavour.

Uganda thrives agriculturally. Its main products being coffee, cotton, tea and of course fishing is important doe to the abundance of fish in the lakes, especially Lake Victoria.

Uganda	
General information	
Official language	English, Swahili
Other key languages	Luganda, Ateso,, Lua
Major religious groups	Christian, Ethnic, Muslim
Capital	Kampala
Population	30.9 m
Land area	241,038 km²
Population density (people/km²)	128
Adult literacy rate	73.00%
Life expectancy at birth	52 years
Key economic data	
GDP	US$ 10.2 bn
GDP per capita	US$ 330
PPP GDP per capita	US$ 966
Average Real GDP growth 2000-06	5.60%
Currency	Uganda Shilling
Inflation	6.80%
Exports	US$ 1,004 m
Imports	US$ 2,239 m
Main destinations of exports	Kenya, Switzerland, Netherlands, Belgium, France
Main sources of imports	Kenya, India, UAE, South Africa, China
Foreign direct investment	US$ 237 m
Effective company tax rate	32.30%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	8
HIV prevalence	6.70%
Capital formation/GDP ratio	25.00%

Uganda	
Key economic data (cont.)	
Contribution to GDP by agriculture	32.40%
Key exports	Coffee, fish, cotton, tea
Key imports	Machinery equipment, vehicles & accessories, vegetable products, animal fats & oils, chemicals, petroleum
Energy	
Power stations	37
GwH 2007	2 055
Tons CO2 2007	1 775
Intensity 2007	19
Fossil 2007	1.42%
Hydro 2007	96.38%
Renewable 2007	2.20%
Electricity consumption per capita	62 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	53
Fixed telephone lines per 1000 people Internet penetration % of population	3 6.4%
Tax indicators	
Companies:	
Company tax: Resident companies	30.00%
Company tax: Non-resident companies	30.00%
Secondary Tax on Companies (STC)	None
General sales tax	None
Value-added tax	18.00%
Individuals:	
Fiscal year end	Jun
Individual marginal tax rate (maximum)	30.00%
Basis of taxation	Residence-based

Uganda	
Tax indicators (cont.)	
Withholding tax:	
Interest	15.00%
Dividends	15.00%
Royalties	15.00%
Exchange controls	Do not exist
Double tax treaties	Exist
Capital gains tax	30% (on business asset)

Southern Africa

The terrain of Southern Africa is varied, ranging from forest and grasslands to deserts. The region has both low-lying coastal areas, and mountains. In terms of natural resources, the region has the world's largest resources of platinum and the platinum group elements, chromium, vanadium, and cobalt, as well as uranium, gold, titanium, iron and diamonds.

The region has a wide diversity of eco-regions including grassland, bushveld, karoo, savannah and riparian zones. Even though considerable disturbance has occurred in some regions from habitat loss due to human overpopulation, and there remain significant numbers of various wildlife species, including white rhino, lion, leopard, impala, kudu, blue wildebeest, vervet monkey and elephant.

Southern Africa is home to many cultures and people. It was once populated by San, Namaqua and Pygmies in widely-dispersed concentrations. Due to the Bantu expansion which edged the previous peoples to the more remote areas of the region, the majority of ethnic groups in this region, including the Zulu, Xhosa, Swazi, Ndebele, Tswana, Sotho, and Shona people, BaLunda, Mbundu, Kikuyu and Luo, speak languages which share common Bantu language traits. The process of colonization and settling resulted in a significant population of European (Afrikaners, Anglo-Africans, Portuguese Africans, etc.) and Indian descent (Cape Malays, Koreans, Tamils, etc.) in many southern African countries.

Angola

Angola is a country in western Africa. It is bordered by the Congo, Zambia, and Namibia. Much of Angola's early history is a mystery, as Angola's recorded history was an invention of European settlers who came to the country's shores in the 16th century. What is known about Angola prior to the Europeans is that there were very different tribes in the region. Among them were the Ovimbundu, Kimbundu, and the Bekongo.

As the visitor circles to land at Luanda's de Fevereiro airport at night, it is easy to mistake the approach as if what is observed from when landing at the Cote d'Azur, a necklace of lights on the rim of a wide bay glistening in the dark where the port city of Luanda is a kaleidoscope of coloured lights at night, held up as an icon of the prosperity oil has brought to this nation. As the descent approach drops behind Luanda Bay to greet the traveller to Angola, today the reality of being in Africa is stark to the foreign visitor.

Modern hotels (usually fully booked) line the waterfront where foreign visitors mingle, and many languages and cultures meet – drawn to this place where black gold still abounds for an energy hungry world.

Much is yet to be done in Angola to alleviate the poverty facing the local people, but the government is committed to rebuilding the economy.

Angola, sub-Saharan Africa's second largest oil producer, lies on the southern curve of the Gulf of Guinea, anchoring an oil-rich geologic shelf running across the Atlantic from Brazil.

Angola	
General information	
Official language	Portuguese
Other key languages	Umbundu, Kimbundu, Lunda, Kikongo
Major religious groups	Christian (Roman Catholic), Animist
Capital	Luanda
Population	17.0 m
Land area	1,246,700 km^2
Population density (people/km^2)	14
Adult literacy rate	65.00%
Life expectancy at birth	43 years
Key economic data	
GDP	US$ 33.4 bn
GDP per capita	US$ 1,965
PPP GDP per capita	US$ 3,428
Average Real GDP growth 2000-06	11.10%
Currency	Kwaza
Inflation	12.20%
Exports	US$ 31,900 m
Imports	US$ 8,800 m
Main destinations of exports	US, China, France, South Korea, Chile
Main sources of imports	Portugal, US, South Africa, Japan, Brazil
Foreign direct investment	US$ 2 m
Effective company tax rate	53.20%

Angola	
Key economic data (cont.)	
Public expenditure on education (% of GDP 2001-05)	1.00%
Physicians per 100,000 people	8
HIV prevalence	3.70%
Capital formation/GDP ratio	8.00%
Contribution to GDP by agriculture	8.10%
Key exports	Crude oil, diamonds, refined petroleum products, liquefied natural gas
Key imports	Consumer goods, capital goods, intermediate goods
Energy	
Power stations	59
GwH 2007	2 898
Tons CO2 2007	43 346
Intensity 2007	330
Fossil 2007	8.99%
Hydro 2007	74.68%
Electricity consumption per capita	189 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	69
Fixed telephone lines per 1000 people	6
Internet penetration % of population	0.8%

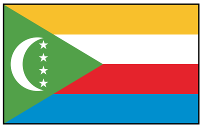
Botswana

The discovery of commercially exploitable diamonds in 1967 paved the way for economic prosperity, with Botswana becoming a shining example of an African success story. Botswana is a land-locked country dominated in geographical terms by the Kalahari Desert – a sand-filled basin averaging 1,100 metres above sea level. Botswana is a place where the wonderful waterways of the world renowned Okavango Delta meets the Kalahari thirst land. A destination of myriad beauty, rich cultures, wonderful scenery, and most importantly a very peaceful and stable country, with rich untapped resources.

Botswana	
General information	
Official language	English
Other key languages	Tswana
Major religious groups	Christian (Roman Catholic, Protestant), Ethnic
Capital	Gaborone
Population	1.9 m
Land area	581,730 km²
Population density (people/km²)	3
Adult literacy rate	83.00%
Life expectancy at birth	51 years
Key economic data	
GDP	US$ 11.5 bn
GDP per capita	US$ 6,053
PPP GDP per capita	US$ 14,034
Average Real GDP growth 2000-06	n/a
Currency	Pula
Inflation	11.50%
Exports	US$ 4,521 m
Imports	-US$ 2,617 m
Main destinations of exports	Europe, UK, SACU, Zimbabwe
Main sources of imports	SACU, Europe, UK, US
Foreign direct investment	US$ 47 m
Effective company tax rate	17.20%
Public expenditure on education (% of GDP 2001-05)	11.00%
Physicians per 100,000 people	40
HIV prevalence	24.10%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Diamonds, copper-nickel, vehicles, textiles, beef
Key imports	Machinery & electrical goods, vehicles & transport equipment, food, fuel, chemical & rubber products

Botswana	
Energy	
Power stations	7
GwH 2007	1 181
Tons CO2 2007	145 228
Intensity 2007	2 712
Electricity consumption per capita	1,484
Telecommunication	
Cellular telephone subscribers per 1,000 people	466
Fixed telephone lines per 1000 people	75
Internet penetration % of population	4.3%
Tax indicators	
Companies:	
Company tax: Resident companies	25% made up of 15% company tax And 10% additional company tax
Company tax: Non-resident companies	25.00%
Secondary Tax on Companies (STC)	None
General sales tax	None
Value-added tax	10.00%
Individuals:	
Fiscal year end	Jun
Individual marginal tax rate (maximum)	25.00%
Basis of taxation	Source-based but Botswana citizens taxed on interest and dividend income from foreign source
Withholding tax:	
Interest	0.15
Dividends	15.00%
Royalties	15.00%
Exchange controls	None
Double tax treaties	Exist
Capital gains tax	For companies, same as the corporate tax rate; for individuals, max marginal rate 25%

Comoros



Located in a strategic position at the northern end of the Mozambique Channel, the archipelago of the Comoro Islands arose from the seabed of the western Indian Ocean as the result of volcanic activity. The islands: Ngazidja (Grande Comore), Mwali (Moheli), Nzwani (Anjouan), and Maore (Mayotte) with their French names in parentheses, have distinct topographical characteristics due to their different ages. Maore, the oldest of the islands, is highly eroded with slow, meandering streams. Ngazidja, the youngest of the islands is dominated by a massive, active volcano. Volcanic experts are concerned that a very violent eruption may occur in the near future. The other two islands are mountainous but have no active volcanic activity. The Comoro Islands once played a major role in the maritime economy of the western Indian Ocean. For centuries, they were a major stopover on the mercantile routes from Africa to the Orient.

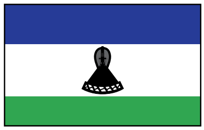
Ancient documents speak of widespread maritime trade in the Indian Ocean involving large, seaworthy sailing vessels. The tales of Sinbad the Sailor provide an entertaining and fanciful view of sailing in the Indian Ocean but they are based on a factual, centuries old maritime trade. Sailors travelled between ports in the Comoros, the East African Coast, Arabia, and India in the search for a wide variety of goods including gems, rare animals, exotic woods, spices, and slaves. The town of Domoni on the eastern shore of the island of Nzwani (Anjouan), for one, is mentioned as a major trading centre in the fifteenth century by the famous navigator, Ibn Madjid. Ibn Madjid is best known to the western world as the navigator who possibly guided the Portuguese explorer, Vasco da Gama, from East Africa to India. But he was also widely known in the countries of the Indian Ocean littoral and he travelled extensively throughout the area during the 1400s. He wrote of African, Indian, and Persian sailing vessels visiting Domoni. Archaeological evidence, furthermore, indicates the town was founded before the 12th century and that trade existed between Domoni and places as far away as Japan by the 18th century.

Traditionally, seaborne trade played an important role in the Islands' economy. Today, agriculture is the principal economic activity with crops grown both for domestic consumption and export. The major food crops are cassava, coconut, bananas, rice, sweet potatoes, pulses, and corn. Vanilla, ylang-ylang, cloves, and copra have been the major export crops.

Comoros	
General information	
Official language	Arabic, French
Other key languages	Comorian Swahili
Major religious groups	Sunni Muslim
Capital	Moroni
Population	0.6 m
Land area	1,862 km²
Population density (people/km²)	322
Adult literacy rate	57.00%
Life expectancy at birth	65 years
Key economic data	
GDP	US$ 0.4 bn
GDP per capita	US$ 667
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Comoros Franc
Inflation	3.40%

Comoros	
Key economic data (cont.)	
Exports	US$ 11 m
Imports	-US$ 139 m
Main destinations of exports	France, Germany, US, Singapore
Main sources of imports	France, Japan, South Africa, Kenya
Foreign direct investment	US$ 2 m
Effective company tax rate	48.80%
Public expenditure on education (% of GDP 2001-05)	4.00%
Physicians per 100,000 people	15
HIV prevalence	<0.1%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Vanilla, cloves, agricultural products
Key imports	Petroleum products, rice, meat
Energy	
Power stations	2
GwH 2007	22
Tons CO2 2007	1 226
Intensity 2007	1 252
Electricity consumption per capita	25 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	27
Fixed telephone lines per 1000 people	28
Internet penetration % of population	2.9%

Lesotho

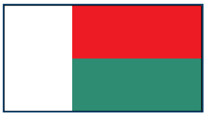


Basutoland was renamed the Kingdom of Lesotho upon independence from the UK in 1966. High in the mountains of Southern Africa, unique in that it is an independent nation completely surrounded by South Africa, is the Kingdom of Lesotho — the Kingdom in the Sky. An extraordinary country that provides spectacular mountain scenery as a backdrop to some of the most exciting holiday activities in Africa, Lesotho offers the chance to enjoy Africa's majestic beauty, the simplicity of a mountain people, and a serene quality of life for discerning travellers from all over the world. Nature has been little changed by man and is still unspoilt by crowds of tourists, where in peaceful serenity the untamed but beautiful landscapes of the soaring Maluti and Drakensberg mountains stand in contrast to any other country in Africa. The Lesotho Highlands water project is one of the greatest success stories of cooperation between countries in Africa. The Lesotho Highlands Water Project is an ongoing water supply project with a hydropower component, developed in partnership between the governments of Lesotho and South Africa. It comprises a system of several large dams and tunnels throughout Lesotho and South Africa. In Lesotho, it involves the rivers Malibamatso, Matsoku, Senqunyane and Senqu. In South Africa, it involves the Vaal River. It is Africa's largest water transfer scheme. It is an ongoing project which has great potential for Lesotho and South Africa, the former with abundant water, the latter with a thirst. This partnership is a constant source of income to the mountain kingdom, Lesotho.

Lesotho	
General information	
Official language	English, Sesotho
Other key languages	Zulu, Xhosa, Afrikaans
Major religious groups	Christian
Capital	Maseru
Population	2.0 m
Land area	30,355 km^2
Population density (people/km^2)	66
Adult literacy rate	86.00%
Life expectancy at birth	43 years
Key economic data	
GDP	US$ 1.6 bn
GDP per capita	US$ 800
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Loti
Inflation	6.00%
Exports	US$ 694 m
Imports	US$ 1,361 m
Main destinations of exports	North America, Southern African Customs Union, EU
Main sources of imports	Southern African Customs Union, Asia, EU
Foreign direct investment	US$ 52 m
Effective company tax rate	20.80%
Public expenditure on education (% of GDP 2001-05)	13.00%
Physicians per 100,000 people	5
HIV prevalence	23.20%

Lesotho	
Key economic data (cont.)	
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Clothing, foodstuffs, footwear, livestock materials
Key imports	Manufactured goods, food & live animals, machinery & equipment
Energy	
Power stations	8
GwH 2007	351
Tons CO2 2007	67
Intensity 2007	4
Fossil 2007	24.00%
Hydro 2007	99.76%
Electricity consumption per capita	n/a (included in SA)
Telecommunication	
Cellular telephone subscribers per 1,000 people	137
Fixed telephone lines per 1000 people	27
Internet penetration % of population	3.3%

Madagascar



Madagascar lies in the Indian Ocean off the southeast coast of Africa opposite Mozambique. The world's fourth-largest island (578,041km2)[11], it is twice the size of Arizona. The country's low-lying coastal area gives way to a central plateau. The once densely wooded interior has largely been cut down. Madagascar's population is predominantly of mixed Asian and African origin. Research suggests that the island was uninhabited until Indonesian seafarers arrived in roughly the first century A.D., probably by way of southern India and East Africa, where they acquired African wives and slaves. Subsequent migrations from both the Pacific and Africa further consolidated this original mixture, and 18 separate tribal groups emerged. Asian features are most predominant in the central highlands people, the Merina (3 million) and the Betsileo (2 million); the coastal people are of more clearly African origin. The largest coastal groups are the Betsimisaraka (1.5 million) and the Tsimihety and Sakalava (700,000 each).

[11] Australia and Antarctica both have a claim to be in this island list however, for geological, political and cultural reasons they are described as continental land masses and so are not included in the list. However if they were included Antarctica would be the largest island with an area of 5,400,000 sq. miles (14,000,000 sq. km) and Australia would be the second largest island with an area of 2,941,517 sq. miles (7,618,493 sq. km).

The Malagasy language is of Malayo-Polynesian origin and is generally spoken throughout the island, with significant regional variations. French is spoken among the educated population of this former French colony. English is becoming more widely spoken, and in 2003 the government began a pilot project of introducing the teaching of English into the primary grades of 44 schools, with hopes of taking the project nationwide.

In 2000, Madagascar embarked on the preparation of a Poverty Reduction Strategy Paper (PRSP) under the Heavily Indebted Poor Countries (HIPC) Initiative. The boards of the International Monetary Fund (IMF) and World Bank agreed in December 2000 that the country had reached the decision point for debt relief under the HIPC Initiative and defined a set of conditions for Madagascar to reach the completion point. In October 2004, the boards of the IMF and the World Bank determined that Madagascar had reached the completion point under the enhanced HIPC Initiative.

The Madagascar-U.S. Business Council was formed in Madagascar in 2002. The U.S.-Madagascar Business Council was formed in the United States in May 2003, and the two organizations continue to explore ways to work for the benefit of both groups. An American Chamber of Commerce was launched at the end of 2008, with plans to begin activity in early 2009.

Madagascar	
General information	
Official language	French, Malagasy
Major religious groups	Ethnic, Christian, Muslim
Capital	Antananarivo
Population	19.6 m
Land area	587,041 km²
Population density (people/km²)	33
Adult literacy rate	72.00%
Life expectancy at birth	59 years
Key economic data	
GDP	US$ 5.5 bn
GDP per capita	US$ 281
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	2.70%
Currency	Malagasy franc
Inflation	10.80%
Exports	US$ 928 m

Madagascar	
Key economic data (cont.)	
Imports	US$ 1,488 m
Main destinations of exports	US, France, Germany, Italy, Japan
Main sources of imports	China, France, Iran, South Africa, India
Foreign direct investment	US$ 45 m
Effective company tax rate	46.50%
Public expenditure on education (% of GDP 2001-05)	3.00%
Physicians per 100,000 people	29
HIV prevalence	0.50%
Capital formation/GDP ratio	25.00%
Contribution to GDP by agriculture	28.70%
Key exports	Textiles, vanilla, cloves, shellfish, petroleum products
Key imports	Fuel products, capital goods, raw materials, food
Energy	
Power stations	54
GwH 2007	993
Tons CO2 2007	17 998
Intensity 2007	399
Fossil 2007	34.57%
Hydro 2007	65.43%
Electricity consumption per capita	56 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	27
Fixed telephone lines per 1000 people	4
Internet penetration % of population	0.5%
Tax indicators	
Companies:	
Company tax: Resident companies	25.00%
Company tax: Non-resident companies	10% (withholding)
Secondary Tax on Companies (STC)	n/a

Madagascar	
Tax indicators (cont.)	
Companies:	
General sales tax	n/a
Value-added tax	20.00%
Individuals:	
Fiscal year end	n/a (monthly)
Individual marginal tax rate (maximum)	25.00%
Basis of taxation	Source-based and/or Residence-based
Withholding tax:	
Interest	25.00%
Dividends	0.00%
Royalties	25.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	n/a

Malawi

Malawi's predominantly rural population is comprised of various tribes that migrated from other parts of Africa. According to its gross national income (GNI) the Republic of Malawi is the poorest country in Africa, its economy is agro-based. There is a small tourism sector which is being primed for growth.

The former British protectorate of Nyasaland became the independent nation of Malawi in 1964. The first democratic multiparty elections were held in 1994. A provisional constitution, took full effect in 1995. In the 2004 elections, the UDF party was voted in again for the third time since 1994.

Malawi	
General information	
Official language	Chichewa, English
Major religious groups	Christian, Muslim, Ethnic
Capital	Lilongwe
Population	13.9 m
Land area	118,484 km²
Population density (people/km²)	117
Adult literacy rate	66.00%
Life expectancy at birth	48 years
Key economic data	
GDP	US$ 2.2 bn
GDP per capita	US$ 158
PPP GDP per capita	US$ 495
Average Real GDP growth 2000-06	4.10%
Currency	Malawi Kwacha
Inflation	14.00%
Exports	US$ 540 m
Imports	-US$ 805 m
Main destinations of exports	South Africa, US, Germany, Egypt
Main sources of imports	South Africa, India, Tanzania, Zambia
Foreign direct investment	US$ 16 m
Effective company tax rate	32.20%
Public expenditure on education (% of GDP 2001-05)	6.00%
Physicians per 100,000 people	2
HIV prevalence	14.10%
Capital formation/GDP ratio	16.00%
Contribution to GDP by agriculture	37.80%
Key exports	Tobacco, sugar, apparel & fabrics, tea
Key imports	Fuels, capital goods

Malawi	
Energy	
Power stations	15
GwH 2007	1 458
Tons CO2 2007	1 866
Intensity 2007	28
Fossil 2007	2.13%
Hydro 2007	93.96%
Electricity consumption per capita	98 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	33
Fixed telephone lines per 1000 people	8
Internet penetration % of population	1.0%
Tax indicators	
Companies:	
Company tax: Resident companies	30.00%
Company tax: Non-resident companies	15.00%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	16.50%
Individuals:	
Fiscal year end	Jun
Individual marginal tax rate (maximum)	30.00%
Basis of taxation	Source-based
Withholding tax:	
Interest	20.00%
Dividends	10.00%
Royalties	20.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	30.00%

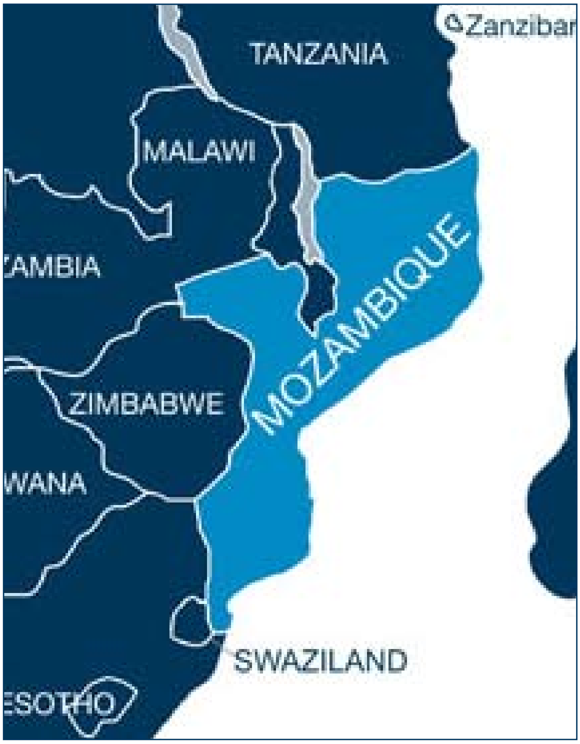
Mauritius

Although known to Arab and Malay sailors as early as the 10th century, Mauritius was first explored by the Portuguese in the 16th century and subsequently settled by the Dutch – who named it in honour of Prince Maurits van Nassau – in the 17th century. The French assumed control in 1715, developing the island into an important naval base overseeing Indian Ocean trade, and establishing a plantation economy of sugar cane. The British captured the island in 1810, during the Napoleonic Wars. Mauritius remained a strategically important British naval base, and later an air station, playing an important role during World War II for anti-submarine and convoy operations, as well as the collection of signals intelligence. Independence from the UK was attained in 1968. A stable democracy with regular free elections and a positive human rights record, the country has attracted considerable foreign investment and has earned one of Africa's highest per capita incomes.

Mauritius	
General information	
Official language	English
Other key languages	French, Creole, Hindi, Urdu, Bhojpuri
Major religious groups	Hindu, Christian, Muslim
Capital	Port Louis
Population	1.3 m
Land area	2,040 km²
Population density (people/km²)	637
Adult literacy rate	87.00%
Life expectancy at birth	73 years
Key economic data	
GDP	US$ 6.5 bn
GDP per capita	US$ 5,000
PPP GDP per capita	US$ 9,311
Average Real GDP growth 2000-06	4.10%
Currency	Mauritian Rupee
Inflation	8.90%
Exports	US$ 2,333 m
Imports	-US$ 3,412 m
Main destinations of exports	UK, France, US, Madagascar
Main sources of imports	France, South Africa, India, Germany
Foreign direct investment	US$ 65 m
Effective company tax rate	21.70%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	106
HIV prevalence	0.60%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Sugar cane
Key imports	Machinery & transport equipment, food & beverages

Mauritius	
Energy	
Power stations	32
GwH 2007	2 471
Tons CO2 2007	153 991
Intensity 2007	1 374
Fossil 2007	54.50%
Nuclear 2007	0.00%
Hydro 2007	5.28%
Renewable 2007	22.02%
Electricity consumption per capita	2,082 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	574
Fixed telephone lines per 1000 people	289
Internet penetration % of population	26.7%
Tax indicators	
Companies:	
Company tax: Resident companies	15.00%
Company tax: Non-resident companies	15% for permanent establishments
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	15.00%
Individuals:	
Fiscal year end	Jun
Individual marginal tax rate (maximum)	15.00%
Basis of taxation	Worldwide income for residents
Withholding tax:	
Interest	0%*
Dividends	0.00%
Royalties	0%*
Exchange controls	Do not exist
Double tax treaties	Exist
Capital gains tax	0.00%
	* Domestic Mauritius companies are subject to tax deduction at source (TDS) for interest (15%) and royalties (10%).

Mozambique



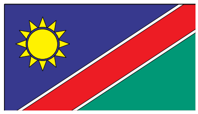
Mozambique, officially the Republic of Mozambique, is a country in southern Africa bordered by the Indian Ocean to the east, Tanzania to the north, Malawi and Zambia to the northwest, Zimbabwe to the west and Swaziland and South Africa to the southwest. It was explored by Vasco da Gama in 1498 and colonized by Portugal in 1505. By 1510, the Portuguese had control of all of the former Arab sultanates on the east African coast. From about 1500, Portuguese trading posts and forts became regular ports of call on the new route to the east.

It is a member of the Community of Portuguese Language Countries and the Commonwealth of Nations, and an observer of the Francophonie. Mozambique (Moçambique) was named after Muça Alebique, a sultan. Mozambique is a less economically developed country (LEDC).

Mozambique	
General information	
Official language	Portuguese
Other key languages	English, Swahili, other local languages
Major religious groups	Ethnic, Christian, Muslim
Capital	Maputo
Population	21.3 m
Land area	801,590 km²
Population density (people/km²)	27
Adult literacy rate	53.00%
Life expectancy at birth	42 years
Key economic data	
GDP	US$ 7.1 bn
GDP per capita	US$ 333
PPP GDP per capita	US$ 745
Average Real GDP growth 2000-06	8.20%
Currency	Metical
Inflation	13.20%
Exports	US$ 2,381 m
Imports	-US$ 2,649 m
Main destinations of exports	Netherlands, South Africa, Malawi, Portugal
Main sources of imports	South Africa, Portugal, US, France
Foreign direct investment	US$ 132 m
Effective company tax rate	34.30%
Public expenditure on education (% of GDP 2001-05)	4.00%
Physicians per 100,000 people	3
HIV prevalence	16.10%
Capital formation/GDP ratio	25.00%
Contribution to GDP by agriculture	23.10%
Key exports	Aluminium, electricity, prawns, tobacco, sugar
Key imports	Petroleum products, electricity

Mozambique	
Energy	
Power stations	27
GwH 2007	13 200
Tons CO2 2007	1 899
Intensity 2007	3
Fossil 2007	24.00%
Hydro 2007	99.40%
Renewable 2007	36.00%
Electricity consumption per capita	1599 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	62
Fixed telephone lines per 1000 people	4
Internet penetration % of population	0.9%
Tax indicators	
Companies:	
Company tax: Resident companies	32.00%
Company tax: Non-resident companies	20% WHT on payments abroad
Secondary Tax on Companies (STC)	20.00%
General sales tax	n/a
Value-added tax	17.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	32.00%
Basis of taxation	Entire Income
Withholding tax:	
Interest	20.00%
Dividends	20.00%
Royalties	20.00%
Exchange controls	Yes and strict
Double tax treaties	Yes (Portugal/UAE/Italy/Mauritius/ RSA (not ratified yet)
Capital gains tax	Not specific

Namibia



South Africa occupied the German colony of South-West Africa during World War I and administered it as a mandate until after World War II, when it annexed the territory. The South-West Africa People's Organization (SWAPO) group launched a war of independence for the area that became Namibia, but it was not until 1988 that South Africa agreed to end its administration in accordance with a UN peace plan for the entire region. Namibia has been governed by SWAPO since the country won independence in 1990. Hifikepunye Pohamba was elected president in November 2004 in a landslide victory replacing Sam Nujoma who led the country during its first 14 years of self rule.

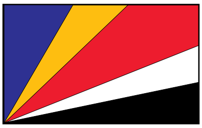
Namibia is world-renowned for its gem quality placer diamonds that occur along the Orange River as well as, onshore and offshore along the coastline of Namibia. The Namibian diamonds were originally transported via the Orange River into the Atlantic Ocean and distributed northwards by long-shore currents. Diamonds typically occur as placers within raised and "drowned" beach terraces, gullies in the bedrock, and alluvial deposits in wind corridors within southern

Namibia. As onshore diamond reserves are depleting, future diamond production will predominately come from the seabed. Mid-water to deep-water mining operations requires sophisticated marine vessels and crawlers that are capable of retrieving diamondiferous gravels/sands from the seafloor.

Namibia	
General information	
Official language	English
Other key languages	Afrikaans, German, Khoisan, other local languages
Major religious groups	Christian
Capital	Windhoek
Population	2.1 m
Land area	824,268 km^2
Population density (people/km^2)	3
Adult literacy rate	87.00%
Life expectancy at birth	53 years
Key economic data	
GDP	US$ 6.9 bn
GDP per capita	US$ 3,286
PPP GDP per capita	US$ 4,876
Average Real GDP growth 2000-06	4.70%
Currency	Namibian Dollar
Inflation	5.10%
Exports	US$ 2,648 m
Imports	-US$ 2,544 m
Main destinations of exports	South Africa, Angola, Spain, UK, US
Main sources of imports	South Africa, Germany, Switzerland, Spain, China
Foreign direct investment	US$ 286 m
Effective company tax rate	26.50%
Public expenditure on education (% of GDP 2001-05)	7.00%
Physicians per 100,000 people	30
HIV prevalence	19.60%
Capital formation/GDP ratio	30.00%
Contribution to GDP by agriculture	11.00%
Key exports	Diamonds, prepared & preserved fish, metal & uranium ore, beverages & other food products, refined zinc

Namibia	
Key economic data (cont.)	
Key imports	Transport equipment, refined petroleum products, machinery & equipment, chemicals, rubber & plastics products, textiles, clothing
Energy	
Power stations	5
GwH 2007	1 627
Tons CO2 2007	8 005
Intensity 2007	109
Fossil 2007	3.07%
Hydro 2007	96.93%
Renewable 2007	0.00%
Electricity consumption per capita	1,583
Telecommunication	
Cellular telephone subscribers per 1,000 people	244
Fixed telephone lines per 1000 people	64
Internet penetration % of population	4.8%
Tax indicators	
Companies:	
Company tax: Resident companies	35.00%
Company tax: Non-resident companies	35.00%
Secondary Tax on Companies (STC)	None
General sales tax	None
Value-added tax	15.00%
Individuals:	
Fiscal year end	Feb
Individual marginal tax rate (maximum)	35.00%
Basis of taxation	Source-based
Withholding tax:	
Interest	10.00%
Dividends	10.00%
Royalties	10.50%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	None

Seychelles



A lengthy struggle between France and Great Britain for the islands ended in 1814, when they were ceded to the latter. Independence came in 1976. Socialist rule was brought to a close with a new constitution and free elections in 1993. President France-Albert Rene, who had served since 1977, was re-elected in 2001, but stepped down in 2004. Vice President James Michel took over the presidency and in July 2006 was elected to a new five-year term.

The Seychelles consist of an archipelago of about 100 islands in the Indian Ocean northeast of Madagascar. The principal islands are Mahé (142 sq km), Praslin (138 sq km), and La Digue (10 sq km). The Aldabra, Farquhar, and Desroches groups are included in the territory of the republic. Seychelles' economy rests on tourism and fishing. Employment, foreign earnings, construction, banking, and commerce are all largely dependent on these two industries.

The services sector – including transport, communications, commerce, and tourism – has accounted for close to 70% of GDP in recent years. The share of manufacturing has been between 15-20% of GDP, although it fluctuates from year to year owing to changes in output from the Indian Ocean Tuna cannery. Public investment in infrastructure has kept construction buoyant, with its share of GDP at around 10%. Given the shortage of arable land, agriculture, forestry, and fishing (excluding tuna) make a small contribution to national output.

Seychelles	
General information	
Official language	Creole French
Other key languages	English
Major religious groups	Christian
Capital	Victoria
Population	0.1 m
Land area	455 km²
Population density (people/km²)	220
Adult literacy rate	92.00%
Life expectancy at birth	72 years
Key economic data	
GDP	US$ 1.0 bn
GDP per capita	US$ 10000
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	n/a
Currency	Seychelles Rupee
Inflation	0.00%
Exports	US$ 423 m
Imports	US$ 710 m
Main destinations of exports	UK, France, Spain, Japan
Main sources of imports	Saudi Arabia, Spain, France, Singapore
Foreign direct investment	US$ 60 m
Effective company tax rate	48.40%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	151

Seychelles	
Key economic data (cont.)	
HIV prevalence	-
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a
Key exports	Canned tuna, frozen & fresh fish, frozen prawns, re-exports of petroleum
Key imports	Food & live animals, fuel, machinery & transport equipment, chemicals
Energy	
Power stations	2
GwH 2007	217
Tons CO2 2007	10 122
Intensity 2007	1 028
Electricity consumption per capita	2800 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	675
Fixed telephone lines per 1000 people	253
Internet penetration % of population	38.9%

South Africa

If you turned the map of Africa 180º then the southern tip of Africa would point north – and imagination will see South Africa as the capstone to a great pyramid resting on the ancient north and held in place by all the diversities of the rest of the continent. South Africa is poised to hold a responsible position in the development of Africa. The economic performance since 1994 has been impressive. In particular, the successive governments during that period have shown considerable prudence and sound fiscal and economic management.

As a result, public finances were stabilised, inflation was brought down, foreign capital was attracted in growing amounts, and economic growth, after lagging for a time, improved; in part due to global acceptance of South Africa's democratic path demonstrated under the Presidency of Nelson Mandela.

The awarding of the 2010 FIFA Soccer World Cup to South Africa is just one sign that South Africa is now seen as a stable, modern state, in many ways a model for the rest of the African continent. This sporting gift to one of the most beautiful and dynamic countries in Africa – a rainbow nation poised to benefit from the FIFA exposure – which will undoubtedly lead to unprecedented future tourism opportunities.

South Africa is also well endowed economically – great mineral and natural resources, banking systems and entrepreneurial skills which have engineered many home-grown business giants, now flexing their muscles to move into the rest of Africa and globally where shared values will build a brighter future for all the people of this great continent. Business' role in the African transition was made possible by its resources and ability to manage complex issues efficiently (e.g. logistics, management, and organisation and information technology). Because it is not subject to understandably arduous public sector procedures, business can often cut the time for action and delivery.

South Africa has the most advanced economy on the African continent. Since1994, particularly, the country's economy has grown rapidly. Its geographical position provides an ideal gateway to Sub-Saharan Africa. The South African infrastructure is by far the best in Africa, with a solid and reliable banking system. Energy, although plagued with recent power outages is high on the country's agenda to recalibrate the grid back to the previous high standard of efficiency.

The Johannesburg Securities Exchange is Africa's premier securities exchange with a market capitalisation that ranks in the top 15 in the world. It has operated as a marketplace for the trading of financial products for over 120 years. It is also the first emerging market exchange to list a sustainability-related index – the Socially Responsible Investment Index which has been a driver for increased attention to responsible investments into emerging markets such as South Africa. The current market capitalisation on the exchange is around 430 106 million dollars (3 824 712 million South African Rand).

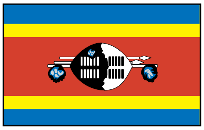
South Africa	
General information	
Official language	Afrikaans, English, Ndebele, Northern Sotho, Southern Sotho, Swazi, Tsonga, Tswana, Venda, Xhosa and Zulu
Major religious groups	Christian, Jewish, Muslim, Hindu, Ethnic
Capital	Pretoria (administrative), Cape Town (legislative), Bloemfontein (judicial)
Population	48.5 m
Land area	1,219,090 km²
Population density (people/km²)	40
Adult literacy rate	88.00%
Life expectancy at birth	49 years

South Africa	
Key economic data	
GDP	US$ 257.4 bn
GDP per capita	US$ 5,307
PPP GDP per capita	US$ 9,130
Average Real GDP growth 2000-06	4.10%
Currency	Rand
Inflation	4.60%
Exports	US$ 63,800 m
Imports	US$ 69,900 m
Main destinations of exports	US, UK, Japan, Germany
Main sources of imports	Germany, US, UK, Japan
Foreign direct investment	US$ 585 m
Effective company tax rate	37.10%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	77
HIV prevalence	18.80%
Capital formation/GDP ratio	20.00%
Contribution to GDP by agriculture	3.10%
Key exports	Metals & metal products, gold, diamonds, machinery & transport equipment
Key imports	Machinery & appliances, mineral products, chemicals, transport & equipment
Energy	
Power stations	107
GwH 2007	215 000
Tons CO2 2007	19 772 600
Intensity 2007	2 026
Fossil 2007	93.38%
Nuclear 2007	5.68%
Hydro 2007	42.00%
Renewable 2007	0.20%
Electricity consumption per capita	5,200 kWh

South Africa

Telecommunication	
Cellular telephone subscribers per 1,000 people	724
Fixed telephone lines per 1000 people	101
Internet penetration % of population	10.5%
Tax indicators	
Companies:	
Company tax: Resident companies	28.00%
Company tax: Non-resident companies	33.00%
Secondary Tax on Companies (STC)	10.00%
General sales tax	n/a
Value-added tax	14.00%
Individuals:	
Fiscal year end	Feb
Individual marginal tax rate (maximum)	40.00%
Basis of taxation	Residence-based
Withholding tax:	
Interest	0.00%
Dividends	0.00%
Royalties	12.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	Percentage of the gain taxed at marginal rates as follows: • companies and trusts 50% • individuals 25%

Swaziland



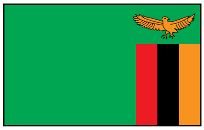
The landlocked Kingdom of Swaziland is surrounded on the north and south by provinces of South Africa, and on the east is bordered by Mozambique. The Kingdom provides travellers the ideal gateway between Kwazulu-Natal and the Kruger National Park, as well as Johannesburg and Maputo – no better route is available with added advantage of discovering a whole new country filled with bygone African traditions.

Swaziland maintains close economic and trading links with South Africa and the other adjacent states of Botswana, Lesotho, and Namibia through the Southern African Customs Union. She is also party to a number of international and regional trade agreements which place local exporters in an advantageous position. The country's industrial and agricultural activity is diverse, particularly considering her small size. The main crops grown for export are sugar cane and citrus fruit while unbleached kraft pulp, produced from locally grown pine trees, is also a significant foreign exchange earner. Beef production for export markets is a growing sector. Manufacturing industries, many of which are value-added through utilizing local raw materials, embrace a wide range of products. These cover food and beverage, including soft drink concentrates which are produced for several other African countries; clothing and textiles; timber, including furniture; pulp and paper; refrigerators; metal and engineering; glass and chemicals and a wide variety of handcrafts. Manufacture of soft drinks, furniture and refrigerators accounts for more than 50% of exports.

Swaziland	
General information	
Official language	English, Siswati
Major religious groups	Christian, Ethnic
Capital	Mbabane
Population	1.1 m
Land area	17,364 km²
Population density (people/km²)	63
Adult literacy rate	84.00%
Life expectancy at birth	40 years
Key economic data	
GDP	US$ 2.8 bn
GDP per capita	US$ 2,545
PPP GDP per capita	n/a
Average Real GDP growth 2000-06	2.40%
Currency	Lilangeni
Inflation	5.30%
Exports	US$ 1,877 m
Imports	US$ 1,796 m
Main destinations of exports	South Africa, US, EU, Mozambique
Main sources of imports	South Africa, EU, Japan, Singapore
Foreign direct investment	US$ 69 m
Effective company tax rate	36.60%
Public expenditure on education (% of GDP 2001-05)	6.00%
Physicians per 100,000 people	16
HIV prevalence	33.40%
Capital formation/GDP ratio	n/a
Contribution to GDP by agriculture	n/a

Swaziland	
Key economic data (cont.)	
Key exports	Textiles, wood pulp, sugar
Key imports	Machinery & transport equipment, food & live animals, chemicals, fuel & lubricants
Energy	
Power stations	13
GwH 2007	528
Tons CO2 2007	2 427
Intensity 2007	101
Fossil 2007	7.14%
Hydro 2007	54.94%
Renewable 2007	27.96%
Electricity consumption per capita	422 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	177
Fixed telephone lines per 1000 people	31
Internet penetration % of population	3.7%

Zambia



Some 85% of Zambians work as subsistence farmers; commercial agriculture is mostly confined to a small number of large farms. The leading crops are corn, sorghum, rice, peanuts, sunflower seeds, vegetables, flowers, tobacco, cotton, sugarcane, cassava, and coffee. Cattle, goats, pigs, and poultry are raised. There is a small fishing industry.

The mining and refining of copper constitutes by far the largest industry in the country and is concentrated in the cities of the Copper belt. Cobalt, zinc, lead, emeralds, gold, silver, coal, and uranium are also mined. Industries include food and beverage processing, construction, horticulture, and the manufacture of chemicals, textiles, and fertilizer. Most of Zambia's energy is supplied by hydroelectric plants, especially the one at Kariba Dam.

Copper, cobalt, electricity, tobacco, flowers, and cotton are the main exports. The principal imports are machinery, transportation equipment, petroleum products, electricity, fertilizer, foodstuffs, and clothing. The leading trade partners are South Africa, Switzerland, and Great Britain.

Zambia	
General information	
Official language	English
Other key languages	Tonga, Kaonde, Lunda, Luvale & c.70 other local languages
Major religious groups	Christian, Ethnic
Capital	Lusaka
Population	11.9 m
Land area	752,618 km²
Population density (people/km²)	16
Adult literacy rate	83.00%
Life expectancy at birth	42 years
Key economic data	
GDP	US$ 10.5 bn
GDP per capita	US$ 882
PPP GDP per capita	US$ 1,258
Average Real GDP growth 2000-06	4.90%
Currency	Zambian Kwacha
Inflation	9.00%
Exports	US$ 3,819 m
Imports	US$ 2,636 m
Main destinations of exports	Tanzania, South Africa, China, Japan
Main sources of imports	South Africa, Zimbabwe, United Arab Emirates, UK
Foreign direct investment	US$ 334 m
Effective company tax rate	16.10%
Public expenditure on education (% of GDP 2001-05)	2.00%
Physicians per 100,000 people	12
HIV prevalence	17.00%
Capital formation/GDP ratio	27.00%
Contribution to GDP by agriculture	20.70%
Key exports	Copper, cobalt, lead, Zinc, coal, tobacco, sugar cane, cotton
Key imports	Capital equipment, petroleum

Zambia	
Energy	
Power stations	31
GwH 2007	8 882
Tons CO2 2007	1 665
Intensity 2007	4
Hydro 2007	98.96%
Renewable 2007	0.46%
Electricity consumption per capita	749 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	81
Fixed telephone lines per 1000 people	8
Internet penetration % of population	4.3%
Tax indicators	
Companies:	
Company tax: Resident companies	35.00%
Company tax: Non-resident companies	35.00%
Secondary Tax on Companies (STC)	0.00%
General sales tax	n/a
Value-added tax	16.00%
Individuals:	
Fiscal year end	Mar
Individual marginal tax rate (maximum)	35.00%
Basis of taxation	Source and Residence
Withholding tax:	
Interest	15.00%
Dividends	15.00%
Royalties	15.00%
Exchange controls	Do not exist
Double tax treaties	Exist
Capital gains tax	None (instead there is a property tax)

Zimbabwe

The country is rich in minerals, including coal, asbestos, and copper, and nickel, gold, platinum and iron ore. On 15 September 2008, an agreement was signed by the three political parties represented in the Zimbabwean parliament. Pursuant to this, the new inclusive government took office and has agreed to give priority to the restoration of economic stability and growth in Zimbabwe.

Zimbabwe	
General information	
Official language	English
Other key languages	Ndebele, Shona
Major religious groups	Christian, Ethnic
Capital	Harare
Population	13.4 m
Land area	390,759 km²
Population density (people/km²)	34
Adult literacy rate	93.00%
Life expectancy at birth	43 years
Key economic data	
GDP	US$ 1.8 bn
GDP per capita	US$ 134
PPP GDP per capita	US$ 170
Average Real GDP growth 2000-06	-5.60%
Currency	Zimbabwe Dollar/Multi-currency
Inflation	Hyper inflation
Exports	US$ 1,500 m
Imports	US$ 2,000 m
Main destinations of exports	South Africa, Switzerland, UK, China, Germany
Main sources of imports	South Africa, Botswana, UK, Zambia, China
Foreign direct investment	US$ 60 m
Effective company tax rate	53.00%
Public expenditure on education (% of GDP 2001-05)	5.00%
Physicians per 100,000 people	16
HIV prevalence	20.10%
Capital formation/GDP ratio	14.00%
Contribution to GDP by agriculture	17.60%
Key exports	Tobacco, gold, platinum, ferro-alloys
Key imports	Fuels, chemicals, machinery, manufactured goods, food, petroleum

Zimbabwe	
Energy	
Power stations	20
GwH 2007	8 648
Tons CO2 2007	470 590
Intensity 2007	1 200
Fossil 2007	45.09%
Hydro 2007	51.75%
Renewable 2007	3.16%
Electricity consumption per capita	995 kWh
Telecommunication	
Cellular telephone subscribers per 1,000 people	54
Fixed telephone lines per 1000 people	25
Internet penetration % of population	10.9%
Tax indicators	
Companies:	
Company tax: Resident companies	30,9%
Company tax: Non-resident companies	30,9%
Secondary Tax on Companies (STC)	n/a
General sales tax	n/a
Value-added tax	15.00%
Individuals:	
Fiscal year end	Dec
Individual marginal tax rate (maximum)	48,925%
Basis of taxation	Source-based
Withholding tax:	
Interest	20.00%
Dividends	20% (15% Zimbabwean Listed Companies)
Royalties	20.00%
Exchange controls	Exist
Double tax treaties	Exist
Capital gains tax	20.00%

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