

# “The Development of Africa: an opportunity for Europe, Italy and Sicily”

## Year 3 – Agro-industry and sustainability

*The logic behind the research*

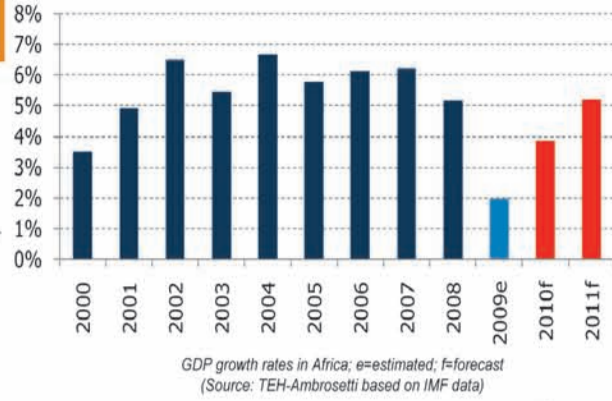
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 ANALYSIS  
 TOOL  
 OPPORTUNITY  
 PROJECT

**Africa represents a tremendous opportunity on Europe's doorstep.**

Although it impacts on Africa (forecast GDP growth for 2009 is down to +1.9%), the global crisis should not halt the process of structural development that has been begun.

In fact, final figures for 2008 show an encouraging picture for the continent:

- **GDP growth rate:** +5.2%
- **Exports:** +17.5% (\$424 bil)
- **Foreign direct investment:** \$88 bil, in continuous growth (average annual rate since 2001, +18%; proof of the continent's growing attractiveness)
- **Development aid:** \$39 bil (37% of world aid)
- **Consumer base:** between 350 and 500 million people



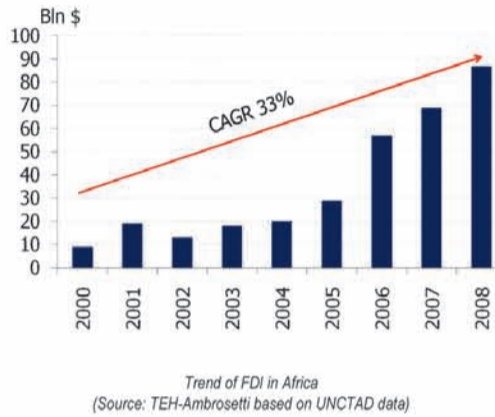
Growth on the continent is the result of the joint commitment of African governments and institutions and increase in foreign countries investing in the area

**INTERNAL DYNAMICS:** Africa continues its structural reinforcement

- **Improvement in governance** and transparency of government
- **Drive towards integration** of the continent: African Union as a single player with international institutions and other countries
- **Regional economic integration:** creation of free trade areas and customs unions (e.g., customs union between SADC-Southern Africa Development Community countries)
- **Major infrastructure projects** (“corridors”): channel financial resources into works on a trans-national scale

**EXTERNAL DYNAMICS:** Africa has returned to being central to the political and economic interests of numerous players

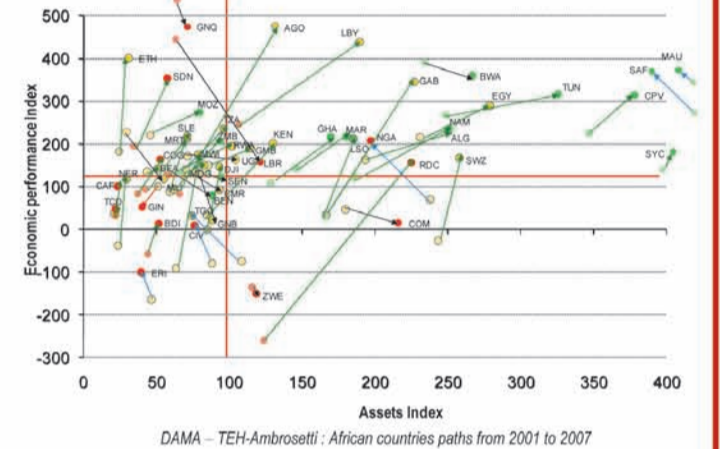
- **New “emerging” players** (China, India, Brazil, Arab nations) offer **across-the-board collaboration** (trade, investment, training and cultural exchanges)
- **Renewed interest from the United States and Europe** and start-up of partnership relationships
- **Different approach** to support for development from the international community: multi-sector and integrated projects identified by African States and less subject to conditions



**DAMA – Development of Africa Map Ambrosetti: innovative tool for analyzing Africa**  
 GDP is not enough to describe development, especially in Africa; the **DAMA (Development of Africa Map Ambrosetti)** also takes into consideration:

- **assets (physical and social)**
- **administrative political situation**

what parameters are essential for **evaluating a country performance**. DAMA allow to **visualize countries development paths over time** (See over for enlarged picture)



In this context, development of the agro-industrial sector in Africa (for so long ignored) represents a tremendous growth and investment opportunity for Africa

For many years, African countries have **focused on industry to the detriment of agriculture: unfavorable policies** (including international), **insufficient investment** and **lower levels in aid** have caused a slow-down in productivity in the primary sector in Africa

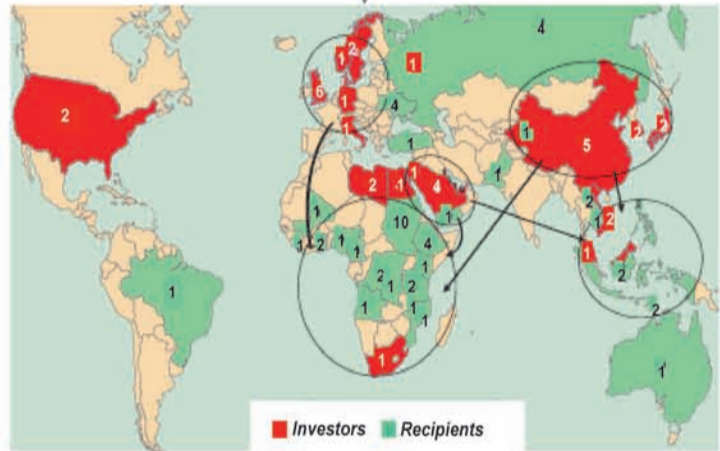
Today, government, African institutions and the international community have recognized that **agriculture is the driving force for development**; for example:

- **NEPAD:** adopted CAADP (*Comprehensive Africa Agriculture Development Programme*) that sets 2 targets: increase annual agricultural productivity to 6% and national budget expenditure for agriculture to 10% of the total
- **G8 summit in Aquila:** 20 billion dollars allocated for agriculture

**1.5/2 is the activation factor of agriculture in Africa**  
 +1% growth in the primary sector translates into +2% growth in the African economy

- Renewed attention is slowly reversing the trend:**
- ✓ Increased growth rates in productivity: +3.3% currently (2% in the '80s)
  - ✓ Doubling of added value: 166 billion dollars (87 in 2000)
  - ✓ Locally-specific research and innovation projects
  - ✓ Processing industry object of development

Development of agriculture in Africa is also an emerging opportunity for foreign investors

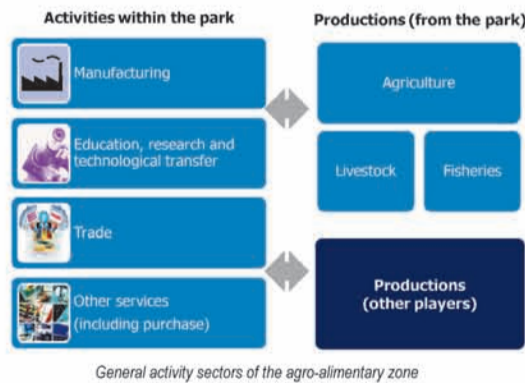


**A BIG AGRO-INDUSTRIAL PARK**  
 We propose to create an integrated agro-industrial/fishing zone for products and first-phase processing for primarily the local market, as well as export, that would serve as a replicable pilot project

Initiative developed from a business standpoint to create long-term value and assure the link between processing industry, farmers and demand in order to attract capital and know-how from private investors

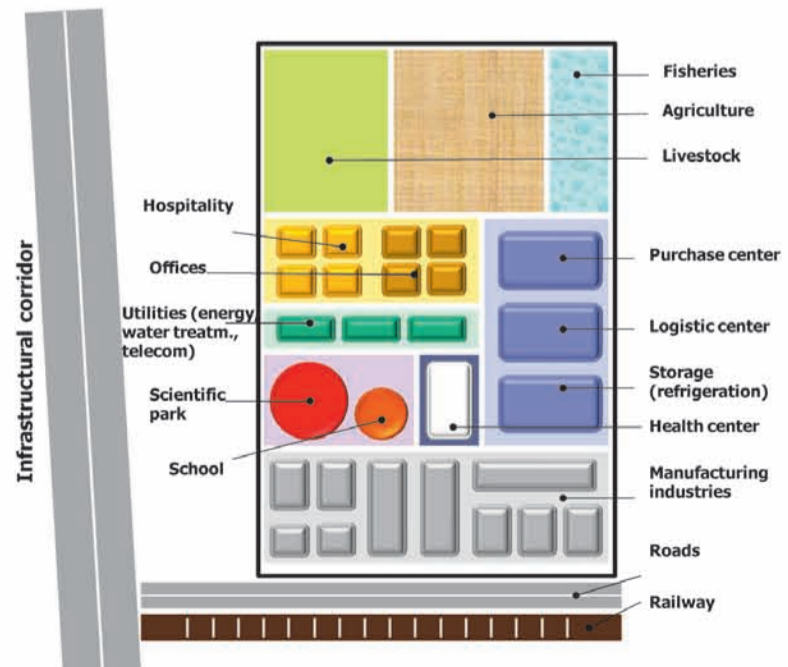
**INITIATIVE FEATURES:**

- **Synergic integration of activities.**
  - ✓ Production (agriculture, livestock and fishing)
  - ✓ Preliminary processing
  - ✓ Scientific and technological research
  - ✓ Training
  - ✓ Support services (including marketing and commercialization)
- **Modular and scalable approach:** blocks of activities that can be implemented in successive phases (starting from a number of core activities, e.g., education)
- **Strategic location:** proximity to major infrastructural corridors and main communications arteries to reduce transport costs to markets (domestic and foreign)
- **State-of-the-art technological solutions** for farming, communications, research, etc.

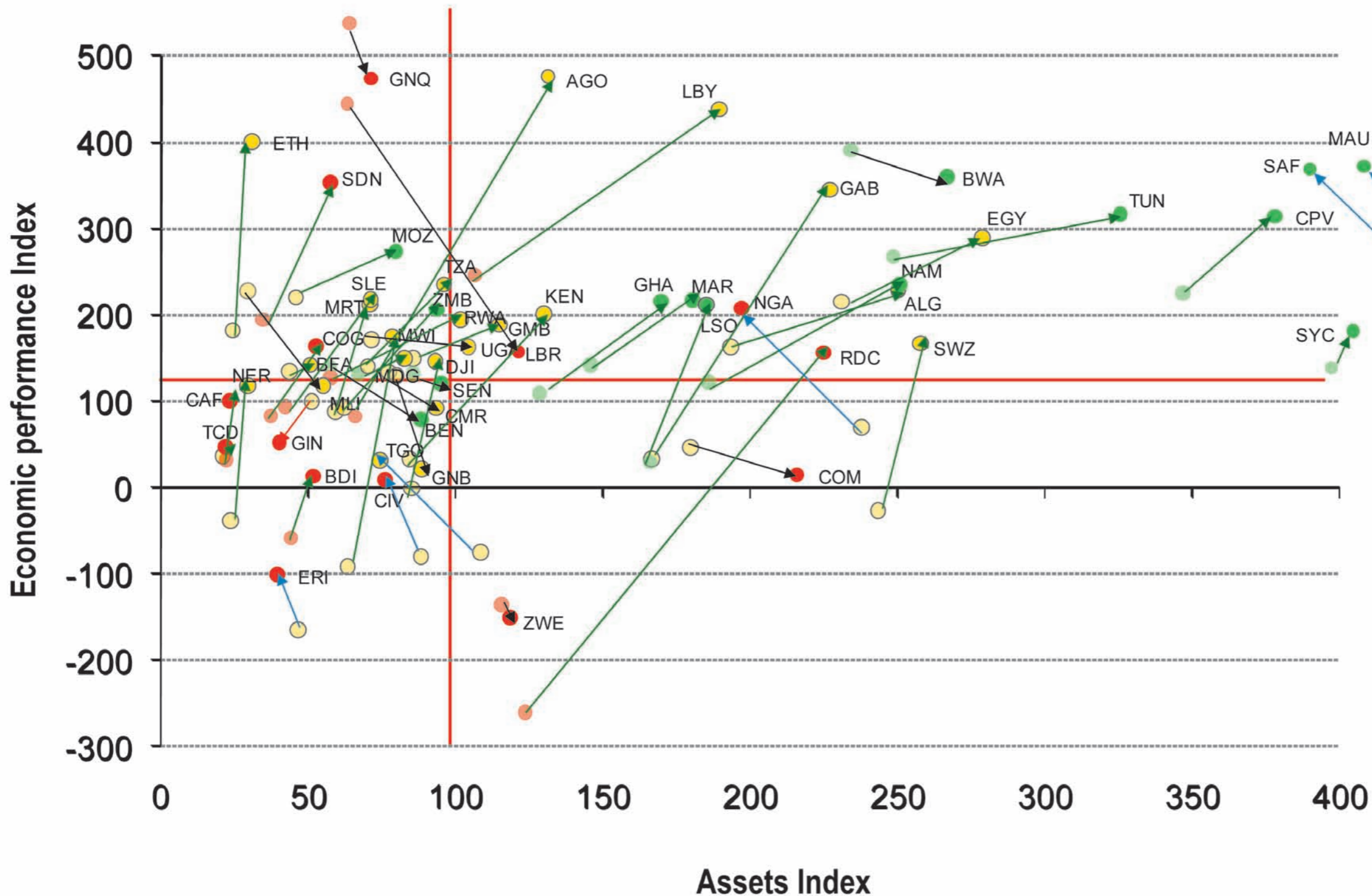


**BENEFITS**

- Direct and indirect employment spinoffs
- Creation of business opportunities (including related sectors) and investment attraction (including foreign)
- Creation of supply chains (subsequent phases and processing with high added value)
- Increase in production (farming, fishing, etc.)
- Production diversification (new products) and improvement in nutrition levels and diet
- Contribution, transfer and fruition of technologies and know-how (in particular from Europe and Italy)
- Release of infrastructure and services (for agro-industrial and other activities) within the local area



# Development path of African countries from 2001 to 2007 in the DAMA – Development of Africa Map Ambrosetti



**RESULTS**

**33 countries** growing in economic performance and accumulating assets (↗)

**6 countries** do not transform economic growth into assets (↘)

**11 countries** growing just in asset endowment (↖)

**1 country only** move back in both directions (↙)

Since 2001 most of the countries started a **virtuous path** accompanying to **economic growth** also **assets development** (physical and social infrastructures)

The majority of “**virtuous**” are also countries that start from **positive governance** conditions or that have been able to improve it in the period

**LEGEND**

- ↗ Economic performance growth and increase of assets endowment
- ↘ Economic performance growth and decrease of assets endowment
- ↖ Economic performance decrease and increase of assets endowment
- ↙ Economic performance decrease and assets endowment decrease

Administrative - political situation:

2001	2007	
●	●	Positive
●	●	With problems
●	●	Critical

**ABBREVIATIONS:**

ALG= Algeria; AGO= Angola; BEN= Benin; BWA= Botswana; BFA= Burkina Faso; BDI= Burundi; CMR= Cameroon; CPV= Capo Verde; CAF= Central African Republic TDC= Tchad; COM= Comoros; RDC= Democratic Republic of Congo; COG= Republic of Congo; CIV= Cote d'Ivoire; DJI= Djibuti; EGY= Egypt; GNQ= Equatorial Guinea; ERI= Eritrea; ETH= Ethiopia; GAB= Gabon; GMB= Gambia; GIN= Guinea; GNB= Guinea Bissau; KEN= Kenya; LSO= Lesotho; LBR= Liberia; LBY= Lybia; MDG= Madagascar; MWI= Malawi; MLI= Mali; MRT= Mauritania; MAU= Mauritius; MAR= Morocco; MOZ= Mozambique NAM= Namibia; NER= Niger; NGA= Nigeria; RWA= Rwanda; SEN= Senegal; SYC= Seychelles; SLE= Sierra Leone; SAF= South Africa; SDN= Sudan; SWZ= Swaziland; TZA= Tanzania; TGO= Togo; TUN= Tunisia; UGA= Uganda; ZMB= Zambia; ZWE= Zimbabwe