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INDIA'S INVESTMENTS IN SELECT EAST AFRICAN COUNTRIES: PROSPECTS AND OPPORTUNITIES

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Executive Summary

The East African region has the largest number of Regional Economic Communities (RECs) and intergovernmental regional bodies. This Study focuses on select East African countries, given their respective strategic importance, which include Burundi, Ethiopia, Kenya, Rwanda, United Republic of Tanzania (Tanzania) and Uganda. All these countries are members of the African Union (AU). Burundi, Kenya, Rwanda, Tanzania and Uganda are members of the East African Community (EAC); Ethiopia, Kenya and Uganda are members of the Inter-Governmental Authority on Development (IGAD); Burundi, Ethiopia, Kenya, Rwanda and Uganda are members of the Common Market for Eastern and Southern Africa (COMESA); Tanzania is a member of Southern African Development Community (SADC); Burundi is a member of the Economic Community of Central African States (ECCAS); and Kenya and Tanzania are members of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC).

According to the African Development Bank (AfDB), FDI inflows to East Africa have been increasing since 2010. Among the countries in the East Africa region, Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda, together accounted for 6.4 per cent of Africa's inward FDI (stock) in 2015. Kenya, Tanzania and Uganda, in particular, are attracting investors reflecting the shift towards consumer goods.

FDI flows to **Burundi**, though rising, have been at low levels, vis-à-vis other African countries. In 2015, FDI inward (flows) to Burundi stood at US$ 7.4 million, as compared to US$ 47.1 million in the previous year. As regards FDI inward (stock), Burundi's FDI stock stood at US$ 70.2 million in 2015 (2.4 per cent of its GDP). FDI outflows from Burundi were at low levels at US$ 0.2 million in 2015.

FDI inward (flows) to **Ethiopia** stood at US$ 2.2 billion in 2015, as compared to US$ 2.1 billion in the previous year. In terms of FDI stock, Ethiopia's FDI inflows stood at US$ 10.7 billion, accounting for 1.4 per cent of Africa's FDI stock as on 2015. According to AfDB's African Economic Outlook 2016, FDI inflows to Ethiopia have mainly been in labour-intensive areas. Although the 32 projects launched in Ethiopia in 2015 accounted for only 4.4 per cent of total investment in Africa, these made up 18.5 per cent of the jobs from FDI in Africa. Ethiopia has slowly been opening up to foreign investment in the manufacturing and retail sectors. Textile and garment firms from Bangladesh, China and Turkey seeking alternative production bases for export to the European Union (EU) and North America have invested in Ethiopia in 2015, especially because of its privileged exports under the African Growth and Opportunity Act (AGOA) and economic partnership agreements (EPAs).

Kenya's inward FDI (flows) reached a record high of US$ 1.4 billion in 2015, as compared to US$ 1 billion in the previous year, resulting from renewed investor interest, confidence in the country's business climate and booming domestic consumer market. The rise in Kenya's investments is mainly due to the Chinese investments in the mining and hydrocarbon sectors. As on 2015, Kenya's FDI inward (stock) stood at US$ 5.9 billion. Kenya is becoming a favoured business hub, not only for oil and gas exploration but also for manufacturing exports, as well as consumer goods and services.

FDI inflows (flows) to **Rwanda** have been on an upward trajectory, to reach a record high of US$ 471.2 million in 2015. Rwanda's FDI stock, as on 2015, was at US$ 1.2 billion in 2015. Although FDI stocks have increased in recent years due to Rwanda's political stability and measures focused on improving the business climate, foreign investments vis-à-vis other Africa countries remain rather weak.

Tanzania is the twelfth-most preferred destination for foreign investment in Africa, with an FDI inward stock of US$ 18.5 billion and accounting for 2.5 per cent of Africa's FDI stock in 2015. As regards FDI inward flows, inflows to Tanzania stood at US$ 1.5 billion in 2015, as compared to US$ 2 billion in 2014.

FDI inflows (flows) to **Uganda** in 2015 remained unchanged at US$ 1 billion. Ugandan policies, laws, and regulations are generally favorable towards foreign investors. Ugandan law allows for 100 per cent foreign-owned businesses and foreign businesses are allowed to partner with locals without any restrictions. The government also provides generous incentives for industrial development. According to AfDB's African Economic Outlook 2016, Uganda's oil sector is expected to push up the country's foreign investments.

India's Investments Relations with Select East African Countries

Eastern African countries have historically enjoyed close economic ties with India and much of it is through investment-led trade, in sectors like textiles, agribusiness and in natural resources. India's relation with East Africa is one of the oldest links of India, dating back to thousands of years. The proximity of East Africa to Indian Ocean provides an added advantage to increasing trade and investment relation with India. The current scale and pace of India's investment flows with East Africa is unprecedented even though it constitutes a very small part in comparison to few other regions and the world economy.

Cumulatively, during April 1996 to December 2016, the Indian direct investments in select East African countries (Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda) in joint ventures (JVs) and wholly owned subsidiaries (WOS), in terms of equity, loan and guarantees issued amounted to US$ 416 million, accounting for 0.1 per cent of India's global overseas investments during the period. During 2015-16, FDI outflows to these countries stood at US$ 34.6 million. During 2015-16, outflows to Ethiopia were the highest, accounting for 49 per cent of the total FDI outflows to the region, followed by Tanzania (32.9 per cent), and Kenya (11 per cent). FDI outflows from India to Burundi were are negligible levels.

Prospects and Opportunities for Investments in Select East African Countries

East African economies offer wide range of investment opportunities in agriculture, horticulture, manufacturing and tourism. Foreign investors' interest in this region is expected to gain fresh impetus, helped by rising confidence in the region's economy.

In line with the priority sectors of each of the East African countries in this study, as also resources available in these countries, potential sector for Indian investments have been identified.

In the case of Burundi, potential sectors for investment would include energy (hydro and geo-thermal electricity), extractive industry and agricultural and agro-processing.

In the case of Ethiopia, potential sectors for investment would include leather shoes and leather products, textile and garments, horticulture (fruits and vegetables, flowers, herbs and spices), industrial parks and manufacturing.

In the case of Kenya, potential sectors for investment would include: infrastructure (roads, railway and airport), energy (hydropower, geothermal and renewable), manufacturing, tourism, and banking and finance.

In the case of Rwanda, potential sectors for investment would include: agriculture, infrastructure (roads, rail, air and water transport), energy, manufacturing (construction materials, textiles and garments, pharmaceutical products, packaging materials, soaps and detergents, motorcycles assembling), and real estate and construction.

In the case of Tanzania, potential sectors for investment would include: chemical and bio-chemicals, transportation, manufacturing (including agro-processing), export processing and special economic zones (EPZ), and mining.

In the case of Uganda, potential sectors for investment would include: agriculture/agribusiness, tourism, oil and gas, renewable energy, ICT, financial services, education and healthcare.

Export-Import Bank of India in Africa

In its endeavour to promote India's international trade, Export-Import Bank of India (Exim India) today seeks to develop commercially viable business relationships with externally oriented companies. Countries in the African continent have always been a focus region for Exim India, and thus a critical component of its strategy to promote and support two-way trade and investment. As a partner institution to promote economic development in Africa, the commitment towards building relationships with the African region is reflected in the various activities and programmes, which Exim India has set in place.

Exim India has representative offices in Abidjan, Cote d'Ivoire, Addis Ababa, Ethiopia and Johannesburg, South Africa, which play key roles in facilitating economic cooperation with the African Region, and are closely associated with several of the Bank's initiatives.

- **Lines of Credit**

To enhance bilateral trade and investment relations, Exim India has in place several Lines of Credit (LOCs) extended to a number of institutions/agencies in Africa. These LOCs supplement the 'Focus Africa' programme of the Government of India (GOI) and are extended especially to priority sectors, identified by GOI for mutual cooperation and benefit. Besides these operating LOC extended at the behest of GOI, Exim India extends its own commercial LOCs to various financial institutions and other entities in Africa, such as, PTA Bank (covering 17 countries in the eastern and southern African region), BOAD (covering 8 countries in the west African region), Indo-Zambia Bank, Nigerian Exim Bank and Afreximbank. These LOCs facilitate import of project-related equipment and services from India on deferred credit terms. At the same time, many of these LOCs are earmarked for infrastructure and related projects. As on December 31, 2016, the total number of operative LOCs extended to Africa stood at 154, covering 44 African countries and amounting to US$ 7.7 billion. Of these, 149 LOCs aggregating to US$ 7.6 billion, extended to 41 countries are guaranteed by GOI.

- **Project Exports**

Exim India has been providing a steady stream of support to project activities in engineering, procurement, and construction (civil, mechanical, electrical or instrumental). This includes the provision of specific equipment related to supplies, construction and building materials, consultancy, technical know-how, technology transfer, design, and engineering (basic or detailed). Exim India also supports existing or new projects, plants or processes that require additional assistance in processes such as international competitive bidding: including multilaterally funded projects in India. During 2015-16, 37 contracts amounting to ₹ 66.1 billion covering 17 countries in Africa were secured by Indian exporters.

- **Buyer's Credit under National Export Insurance Account (NEIA)**

In order to provide further impetus to project exports from India on medium- or long-term basis, especially in the infrastructure sector, in April 2011, a product called Buyer's Credit under National Export Insurance Account (BC-NEIA) was introduced. Under this programme, Exim India facilitates project exports from India by way of extending credit facility to overseas sovereign governments and government owned entities for import of goods and services from India on deferred credit terms. Indian exporters can obtain payment of eligible value from Exim India, without recourse to them, against negotiation of shipping documents. NEIA is a Trust, set up by Ministry of Commerce and administered by ECGC. As on December 31, 2016, a positive list of 82 countries have been identified by ECGC for which Indian exporters can avail Buyer's Credit under NEIA; and

Exim India has sanctioned an aggregate amount of US$ 1.77 billion under BC-NEIA for 15 projects in Africa valued US$ 1.87 billion. In Ethiopia, Exim India has extended its BC-NEIA facility to power transmission and distribution network project.

- **Finance for Joint Ventures Overseas**

Further, Exim India supports Indian companies in their endeavour to globalise their operations, through overseas joint ventures (JVs) and wholly owned subsidiaries (WOS). Such support includes loans and guarantees, equity finance and in select cases direct participation in equity along with Indian promoters to set up such ventures overseas. In the African Region, Exim India has supported several such ventures in countries such as South Africa, **Kenya**, Mauritius, Ghana, Nigeria, Sudan, Egypt, Zambia, Morocco, **Uganda** and **Tanzania**, across a range of sectors like agriculture and food processing, agro-based products, auto and auto components, chemicals, construction, electronics, engineering goods, EPC services, mining and minerals, plastics and rubber products, packaging, pharmaceuticals, software and IT enabled services, and textiles. These ventures serve to promote value addition, as also contribute to capacity building and capacity creation in host countries. As on December 31, 2016, Exim India through its overseas investment finance programme has supported 37 Indian companies in 12 countries in Africa with an aggregate sanction of ₹ 47.7 billion.

- **Association with African Development Bank (AfDB)**

India is a member of the African Development Bank (AfDB) Group. Many Indian companies participate in projects funded by the AfDB Group. Exim India works very closely with AfDB and has an active programme which offers a range of information, advisory and support services to Indian companies to enable more effective participation in projects funded by multilateral funding agencies, including AfDB. Exim India assists Indian companies in projects supported by AfDB by not only fund and non-fund based assistance, but also by providing advance alerts on upcoming opportunities. With support from Exim India, Indian project exporters have secured a number of overseas contracts in Africa in sectors such as power, telecommunications, transport, water supply & sanitation. Exim India and AfDB have also signed an agreement for co-financing projects in Africa. The agreement envisages joint financing of projects (priority being given to support projects of small and medium enterprises) in regional member countries of AfDB. Exim India also organizes Business Opportunities seminars in Projects funded by AfDB across various centres in India.

Africa – India Partnership Day

Exim India together with FICCI (Federation of Indian Chambers of Commerce and Industry) organizes the Africa – India Partnership Day, on the sidelines of AfDB's Annual Meeting, with an objective of sharing India's developmental experiences with Africa, particularly in Public-Private Partnership model of financing infrastructure development. Exim India, along with FICCI, has so far hosted three such events.

- **Kukuza Project Development Company (KPDC) in Africa**

Addressing the limited institutional capacity in Africa on conceptualisation, management, execution and imparting project development initiatives, Indian institutions such as Exim India, IL&FS, and State Bank of India have joined hands with the AfDB, and promoted a Project Development Company (PDC) for infrastructure development in Africa. The PDC, named Kukuza Project Development Company, has been incorporated in Mauritius in July 2015. 'Kukuza' in Swahili means 'a cause to growth'. Reflecting the name, the PDC is expected to provide specialist project development expertise to take the infrastructure project from concept to commissioning in the African Continent.

- **Exim India's Country Mission**

With a view to enhancing India's bilateral trade and investment relations and in order to support Indian entrepreneurs in their globalisation endeavours, Exim India has commissioned a country mission to select countries in Africa. The Mission endeavours to provide a framework for enhancing India's engagement in select countries in Africa by way of identifying key areas for commercial engagement while also assisting these countries in achieving their developmental objectives. This initiative is backed by Exim India's longstanding strategic and commercial relations with various institutions, bodies and organisations in Africa through its various capacity building programmes in various sectors in these countries. The First Mission to Africa covered countries including Mozambique, Rwanda and Tanzania in November 2014.

- **Exim India's engagements in ITC's SITA**

On March 09, 2014, Department for International Development (DFID) mandated the International Trade Centre (ITC), United Kingdom, to design and implement a project, called 'Supporting India's Trade Preferences for Africa' now called 'Supporting Indian Trade and Investment for Africa' (SITA). SITA is a six-year (2014-2020) project that aims at promoting exports from five East African countries – Ethiopia, Kenya, Rwanda, the United Republic of Tanzania and Uganda – to India through investment and skills transfer from the Indian side. Exim India had entered into an MOU with ITC in Geneva on March 26, 2014, under which it was associated with ITC's SITA initiative. The Project was in its inception Phase during March 2014 to March 2015, where a roadmap for SITA, including the focus sectors, was defined. The implementation phase of SITA (March 2015-March 2020) was officially launched in New Delhi, India, during March 19-20, 2015.

- **Member of Association of African Development Finance Institutions (AADFI)**

Exim India is a member of Association of African Development Finance Institutions (AADFI), a forum of institutions/ banks with the objective of creating co-ordination and economic solidarity among the development finance institutions in the African continent. The membership of AADFI helps to provide a platform for building linkages with other institutions in Africa, which are members of AADFI.

- **Global Network of Exim Banks and Development Finance Institutions (G-NEXID)**

Exim India has entered into a Memorandum of Understanding (MOU) with four Exim Banks and Development Financial Institutions (DFIs) to form Global Network of Exim Banks and Development Financial Institutions (G-NEXID). The five signatories are Export-Import Bank of India, Export-Import Bank of Malaysia, African Export-Import Bank, Andean Development Corporation and Export-Import Bank of Slovakia. G-NEXID was formally launched at its inaugural meeting at UNCTAD, Geneva on March 13, 2006. G-NEXID has been granted 'observer' status by UNCTAD. Members of the G-NEXID include several institutions from the African continent.

- **Inter-bank cooperation among BRICS members**

BRICS comprising Brazil, Russia, India, China and South Africa, is an association of five major emerging national economies. In order to develop and strengthen economic ties and investment cooperation between BRICS countries, in 2010 state financial institutions for development and export support of the BRICS nations entered into a MOU, laying the foundation of BRICS Inter-Bank Cooperation Mechanism. Export-Import Bank of India (Exim India) is the nominated member development bank under the BRICS Interbank Cooperation Mechanism, along with other nominated member development banks from member nations of BRICS namely Banco Nacional de Desenvolvimento Economico e Social (BNDES), Brazil; State Corporation Bank for Development and Foreign Economic Affairs – Vnesheconombank, Russia; China Development Bank Corporation, and Development Bank of Southern Africa. The inter-bank cooperation among BRICS countries is expected to facilitate trade and help raise the economic profile of member countries at regional and global levels. Inter-bank cooperation is a first step toward closer cooperation within BRICS, and the member countries will jointly finance projects in high technology, innovation and energy saving.

- **Partner in Institutional Building in Africa**

Exim Bank has taken active participation in the institutional building process in a number of countries in Africa. Besides being associated in the setting up of the Afreximbank, Exim India undertook an assignment to design, develop, and implement a programme on Film Financing for Nigerian Export-Import Bank (NEXIM Bank) for expanding its exposure in financing films (under Film Financing Programme). Exim India has also been involved in the design and implementation of Export Finance Programmes for Industrial Development Corporation, South Africa; Consultancy Assignment for the Government of Mauritius on 'Projecting Mauritius as an investment hub for Indian Firms'; establishment of Export Credit Guarantee Company in Zimbabwe; and preparing a blue print for setting up of Export-Import Bank of Zimbabwe.

In 2015, International Trade Centre (ITC), Geneva, under its 'Supporting Indian Trade and Investment for Africa (SITA)' Project, awarded Exim India with Phase - 1 of an assignment for 'Institution Capacity Building for Export Credit and Insurance' to enhance trade competitiveness in Rwanda. The objective of the assignment is to establish a rationale and suggest a broad framework for establishing an Export Credit Insurance Corporation in Rwanda.

- **Institutional Linkages**

Exim India has been consciously forging a network of alliances and institutional linkages to help further economic co-operation with the African Region. Towards this end, Exim India has taken up equity in Afreximbank, West African Development Bank (BOAD), and Development Bank of Zambia. These endeavours are supplemented by the various Memoranda of Cooperation (MOCs) / Memoranda of Understanding (MOUs), the Bank has in place, with key institutions in the African Region.

- **Knowledge Building and Technology Transfer**

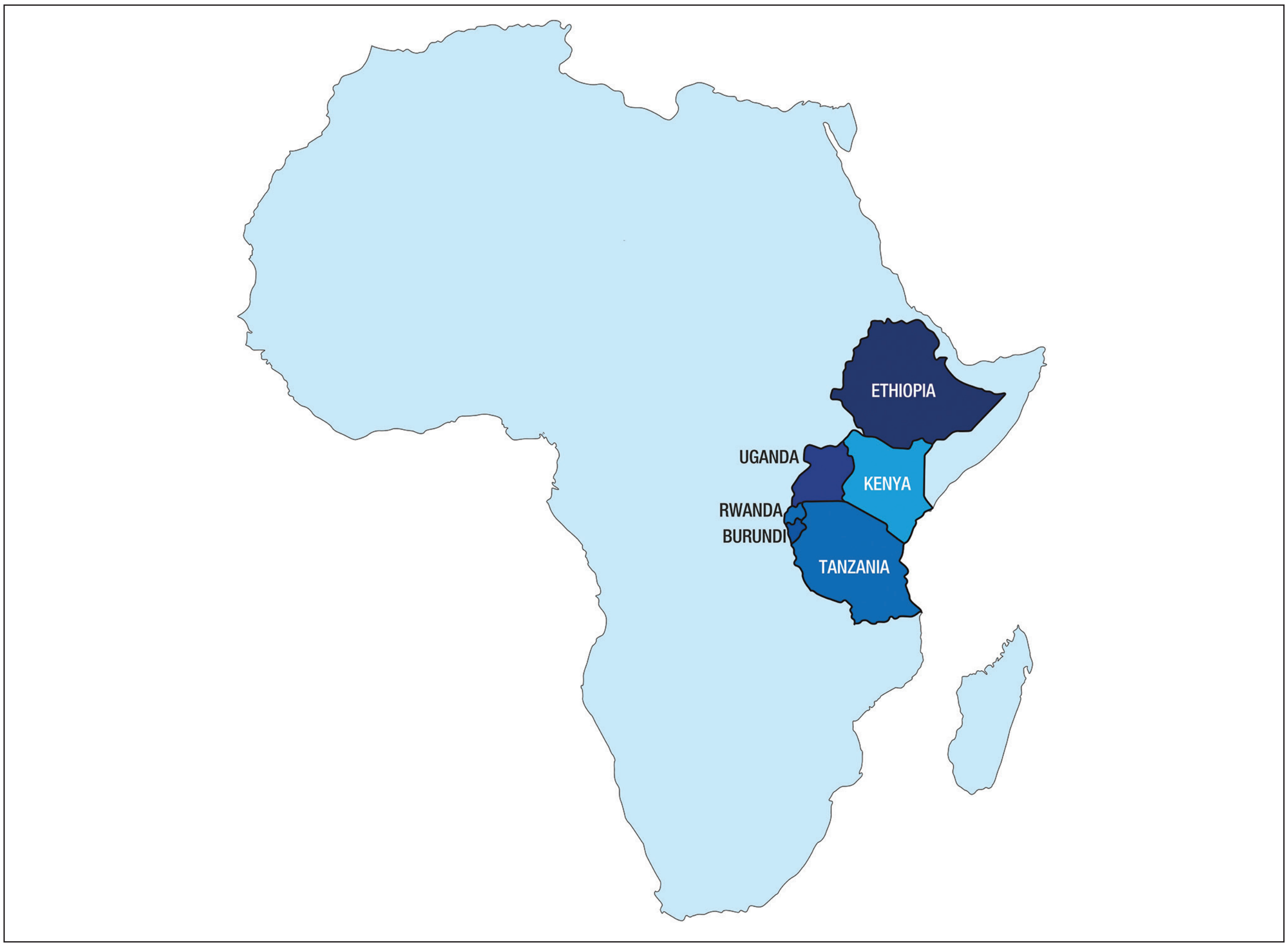
In the area of knowledge building and technology transfer, Exim India's research studies have focused on potential areas for boosting India's trade and investment relations with Africa, the Economic Community of West African States (ECOWAS), Southern African Customs Union (SACU), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Select West African and Southern African Countries, Least Developed Countries (LDCs), as also the member countries of Maghreb region.

In sum, Exim India, with its comprehensive range of financing, advisory and support services, seeks to create an enabling environment for enhancing two-way flow of trade, investment and technology between India and the African Region. While promoting infrastructure development and facilitating private sector development in host countries, the various efforts of Exim India, ensconced in its range of activities, also contribute towards institutional building in the African Region.

1. Background

According to African Development Bank (AfDB), the East African region[1] has the largest number of Regional Economic Communities (RECs) and intergovernmental regional bodies. This Study will focus on select East African countries, given their respective strategic importance, which include Burundi, Ethiopia, Kenya, Rwanda, United Republic of Tanzania (Tanzania) and Uganda **(Exhibit 1.1)**. All these countries are members of the African Union (AU). Burundi, Kenya, Rwanda, Tanzania and Uganda are members of the East African Community (EAC); Ethiopia, Kenya and Uganda are members of the Inter-Governmental Authority on Development (IGAD); Burundi, Ethiopia, Kenya, Rwanda, and Uganda are members of the Common Market for Eastern and Southern Africa (COMESA); Tanzania is a member of Southern African Development Community (SADC); Burundi is a member of the Economic Community of Central African States (ECCAS); and Kenya and Tanzania are members of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC).

Exhibit 1.1: Select East African Countries



[1]According to AfDB East Africa includes, Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, Seychelles, Somalia, Sudan, South Sudan, Tanzania and Uganda.

The long-term internal and external trends indicate strong economic prospects for East African countries. Notable progress has been achieved through improved macro-economic management, market-based reforms and continued structural progress in many countries in the region. This has resulted from the strong commitments of their respective governments to prudent fiscal, monetary and exchange rate policies, during the last few years. Stimulus to sustained growth emanated from the deepening of reforms - economic and political governance, structural transformation, rebuilding institutional capabilities as well as efficiently managed macro-economic policies. At the same time, while the region has made significant strides in strengthening political stability, civil liberty and openness, the region has the lowest share of FDI inflows compared to other regions in Africa. This study would attempt to highlight the investment scenarios in these select East African countries and explore various opportunities and prospects for investments.

Burundi

Burundi, a landlocked country, covers a land area of 25,680 sq. km. and has an estimated total population of 9.6 million in 2016. Burundi has substantial natural resources, especially minerals and hydroelectric potential. It has large reserves of lateritic nickel, vanadium, phosphates, carbonatites, peat and limestone. It also has the world's second largest reserves of coltan (colombite-tantalite). Burundi has come a long way from the socio-political crisis that shook the productive sector in the country. In January 2009, Burundi has reached its completion point under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative of IMF and World Bank.

In the recent years, there has been a revival in the economic activity, mainly due to an expansion in services and manufacturing, supported by investments in industry and construction. Real GDP growth, however, contracted in 2015 and 2016 by 4 per cent and 0.5 per cent, respectively, as political uncertainty affected the industrial and manufacturing output, and as aid cuts forced a deep drop in government outlays. Real GDP growth of Burundi is expected to recover in 2017, mainly driven by a recovery in local consumer confidence that lend a boost to the wholesale, retail and financial services sectors **(Table 1.1).**

Table 1.1: Select Macroeconomic Indicators of Burundi

Items	2011	2012	2013	2014	2015	2016[e]	2017[f]
Nominal GDP (US$ bn)	2.2	2.3	2.6	2.9	2.9	2.7	2.6
Real GDP Growth (%)	4.0	4.4	5.9	4.5	-4.0	-0.5	2.0
GDP per capita, current prices (US$)	260.9	265.9	286.5	318.9	304.3	284.2	263.2
Inflation, average consumer prices (%)	9.6	18.2	7.9	4.4	5.6	6.3	9.4
Population (mn)	8.6	8.8	9.0	9.2	9.4	9.6	9.9
Merchandise Exports (US$ mn)	197.8	242.7	205.7	141.5	113.8	-	-
Merchandise Imports (US$ mn)	1127.7	1003.1	721.7	672.6	560.6	-	-
Current account balance, (US$ bn)	-0.3	-0.4	-0.5	-0.5	-0.5	-0.1	-0.3
Current account balance (% of GDP)	-14.4	-18.6	-19.3	-18.5	-15.9	-4.6	-9.6
External Debt (% of GDP)	27.0	28.6	26.5	23.5	21.8	-	-
Foreign Exchange Reserves (US$ mn)	295.4	308.8	329.3	317.1	136.1	68.6	-

Note: [e]-Estimate; [f]-Forecasts; '-' nil, negligible or not available
Source: IMF, World Economic Outlook, October 2016, EIU, Trademap, and Exim Bank Analysis

Agricultural sector accounted for 43 per cent of Burundi's GDP in 2015. The major food crops and exports are coffee and tea, and more than 80 per cent of population depends on agricultural sector for their livelihood. The secondary sector accounted for 17 per cent of GDP, while the services sector accounted for 40 per cent of GDP.

Some of the major industries in Burundi include light consumer goods such as blankets, shoes, soap, and beer; assembly of imported components; public works construction; and food processing.

Merchandise Trade

Burundi's exports decreased by 20 per cent in 2015 to an estimated US$ 113.8 million from US$ 141.5 million in 2014; imports also decreased by 17 per cent in 2015 to an estimated US$ 560.6 million from US$ 672.6 million in 2014. Accordingly, Burundi's trade deficit narrowed in 2015 to US$ 446.8 million from the previous year's deficit of US$ 531.1 million.

Coffee, tea, mate and spices were the principal export items of Burundi, accounting for 46.1 per cent of the total exports in 2015. Other major items exported by Burundi in 2015 included pearls and precious stones (12.1 per cent of total exports), soaps, lubricants, waxes, candles and modelling pastes (5.7 per cent), beverages, spirits and vinegar (5.5 per cent), and products of the milling industry (5 per cent).

The Democratic Republic of the Congo (DR Congo) was the leading export destination for Burundi, accounting for 24.8 per cent of total exports in 2015. Other major destinations of exports from Burundi in the same year included Switzerland (19.8 per cent of total exports), UAE (12.7 per cent), Kenya (11.8 per cent), Singapore (4.7 per cent), and Rwanda (4.1 per cent).

Mineral fuels were the major items imported by Burundi in 2015, accounting for 20.9 per cent of the total imports. Other principal items imported by Burundi in 2015 included electrical and electronic equipment

Box 1: Burundi – New Mining Code

A mining code for Burundi, replacing the previous code of 1976, was passed by the country's assembly in April 2014. The earlier code did not separate the mining sector and the oil sector, where as the new code deals only with the mining sector, with the oil sector continuing to be governed by the old mining and petroleum legislation until a new, separate codification is adopted. The new mining code opens doors to the much needed private investment in country's mining sector. Burundi boasts rich nickel resources in its eastern region and gold in the eastern and western parts.

Under the new Code, mining permits will be granted only to legal persons headquartered in Burundi. Mining activities will in general be subject to the country's corporate income tax and customs duties. Tax incentives available under the General Tax Code will be applicable to the mining sector. The Mining Code covers the following: all operations of prospecting, research, and industrial and artisanal mining exploitation, conversion, use, transport, trade, and closure of mines, involving mineral or fossil substances, thermal waters, and quarry products on the territory and in the territorial waters of Burundi, with the exception of liquid or gaseous hydrocarbons, which are governed by special laws.

The new mining code removes some legal hurdles, simplifies procedures and strengthens investor protection. Under the new law, the state will no longer be a direct operator in the mining sector, although it will have the right to a free 15 per cent stake in mining projects in the country. In terms of taxation, the code fixes an ad valorem tax of 4 per cent of output for base metals, 5 per cent for precious metals, 7 per cent for precious stones and 2 per cent for other minerals.

Source: Presidency of Burundi Website, EIU and Global Legal Monitor

(9.6 per cent of total imports), pharmaceutical products (9 per cent), machinery and equipment (8.8 per cent) and vehicles other than railway or tramway (8 per cent).

China was the major source of Burundi's imports, accounting for 12.6 per cent of the total imports in 2015. Other important sources of imports in the same year included India (12 per cent of total imports), Tanzania (7.9 per cent), Kenya (6.5 per cent) and (Saudi Arabia 6.3 per cent).

Burundi's trade balance is skewed towards imports, owing to a weak export base. Export growth is expected to be constrained by subdued prospects in most sectors, but increased mineral output, alongside higher prices for tea and coffee, is expected to raise earnings slightly. A rise in manufactured exports, which largely comprise processed agricultural goods and cigarettes, is expected to support an upward trend in earnings in 2017-18. However, a shortage of trade finance may continue to contain the overall performance of Burundi's export sector.

Ethiopia

Ethiopia, a landlocked country, covers a land area of 1,104,300 sq. km. and an estimated population of 91.2 million in 2016. Ethiopia shares borders with six countries, viz. Djibouti, Eritrea, Kenya, Somalia, South Sudan and Sudan.

The government of Ethiopia follows integrated 5-year plans, Growth and Transformation Plans (GTP), to guide its state-led industrial development. The second GTP (2016–2020), has set a target of an average growth of 11 per cent during these five years with the objective of middle-income status by 2025. The GTP II is underpinned by an effort to transform the country from an agriculture-based economy into a manufacturing hub. In line with these goals, the government will continue to focus on infrastructure development (notably of transport and energy facilities), investment in health and education, urban and rural development and the creation of industrial clusters. In this latter regard, the Hawassa Industrial Park, centred on the export of textiles and garments, and the largest industrial park in Sub-Saharan Africa, officially opened in July 2016.

The government hopes to attract foreign direct investment (FDI) of more than US$ 8 billion in total over the period of GTP II; given Ethiopia's substantial potential and the opening of industrial zones.

The GTP II targets an ambitious annual economic growth over the five-year period, however, the economy is currently marked with constraints including continued muted growth in key trading partners and state-directed lending and foreign-exchange allocation that has led to foreign-exchange shortages in the private sector. A poor start to seasonal rains in the fourth quarter of 2016 suggests that drought in parts of southern and eastern Ethiopia will continue into at least the early part of 2017, meaning another substandard performance by the crucial agricultural sector. Much will depend on the next rainy season, due to start in March.

The Ethiopian economy is highly dependent on agriculture, which accounted for 41.2 per cent of GDP and 90 per cent of its exports. Although agriculture is one of Ethiopia's fastest growing sectors—primarily wheat, corn, grain sorghum, castor beans, coffee and flowers—there is potential for greater high yield agricultural returns with more effective use of fertiliser.

The industrial sector, which accounted for 14.7 per cent of GDP, is expected to benefit from continued investments to improve power supply. The government plans to invest US$ 20 billion in the power-generation sector during GTP II, building 10-12 new generating projects. Some of the prominent industries in Ethiopia include food processing, beverages, textiles, leather, chemicals, metals processing, and cement.

GTP II also prioritises tourism, aiming to boost revenue earned from the sector to US$ 6 billion, and this should help to bolster the performance of the services sector, which currently accounts for 43.4 per cent of GDP.

Ethiopia faced its worst drought in more than 30 years in 2015, as a result of the impact of the El Niño weather system, which result in a sharp slowdown in real GDP growth in 2016. Nonetheless, with growing consumer markets, greater integration into global and regional value chains and continued infrastructure investment, real GDP growth is expected to remain robust, at 6.5 per cent in 2016, and 7.5 per cent in 2017 **(Table 1.2)**.

Ethiopia, the second most populated country in Africa after Nigeria, is also the least urbanised, with urbanisation at only 19 per cent, significantly below the Sub-Saharan average of 37 per cent. The urban population has grown at an average 3.8 per cent per annum since 2005 and is expected to triple from 15.2 million in 2012 to 42.3 million by 2037[2]. This could pose a significant development challenge if not addressed.

Public investments are expected to continue driving growth in the short and medium term with huge investments in infrastructure and the development of industrial parks, prioritised to ease bottlenecks to structural transformation, which will still have to take shape with industry playing a significant role in the economy.

Merchandise Trade

Ethiopia's exports decreased to US$ 5 billion in 2015, as compared to US$ 5.7 billion recorded in the preceding year. Ethiopia's imports on the other hand increased to US$ 25.8 billion in 2015, as compared to US$ 21.9 billion recorded in 2014. Ethiopia's import rise was mainly due to the increased machinery imports during the year. Accordingly, Ethiopia's trade deficit was seen at US$ 20.9 billion in 2015, as compared to US$ 16.2 billion recorded a year ago.

In 2015, Ethiopia's export basket consisted of coffee, tea and spices (20.9 per cent of the total exports), edible vegetables and certain roots and tubers (17.9 per cent), live animals and their products (14.7 per cent), mineral fuels, oils and distillation products (13.8 per cent), and oil seeds (10.6 per cent).

Somalia was the major export market of Ethiopia in 2015, accounting for 13.4 per cent of Ethiopia's total exports. Other major export destinations in the same

Table 1.2: Select Macroeconomic Indicators of Ethiopia

Items	2011	2012	2013	2014	2015	2016[e]	2017[f]
Nominal GDP (US$ bn)	32.0	43.1	47.7	55.5	61.6	69.2	76.9
Real GDP Growth (%)	11.4	8.7	9.9	10.3	10.2	6.5	7.5
GDP per capita, current prices (US$)	379.4	504.0	548.0	628.3	686.6	759.0	830.0
Inflation, average consumer prices (%)	33.2	24.1	8.1	7.4	10.1	7.7	8.2
Population (mn)	84.2	85.6	87.0	88.3	89.8	91.2	92.7
Merchandise Exports (US$ mn)	2614.9	2891.3	4076.9	5666.9	5027.5	-	-
Merchandise Imports (US$ mn)	8896.3	11912.9	14899.1	21914.4	25815.3	-	-
Current account balance (US$ bn)	-0.8	-3.0	-2.8	-4.4	-7.4	-7.4	-7.2
Current account balance (% of GDP)	-2.5	-6.9	-5.9	-7.9	-12.0	-10.7	-9.3
External Debt (% of GDP)	1.9	1.7	1.4	1.3	-	-	-
Foreign Exchange Reserves (US$ mn)	4265.1	5711.8	6598.9	7911.3	7548.4	-	-

Note: [e]-Estimate; [f]-Forecasts; '-' nil, negligible or not available
Source: IMF, World Economic Outlook, October 2016, EIU, Trademap, and Exim Bank Analysis

[2]African Development Bank (AfDB), Ethiopia Economic Outlook (https://www.afdb.org/en/countries/east-africa/ethiopia/ethiopia-economic-outlook/)

year included, Kuwait (12.8 per cent), the Netherlands (10.6 per cent), China (7.5 per cent), and Saudi Arabia (7.1 per cent).

Ethiopia's major imports in 2015 included machinery and mechanical appliances (13.3 per cent), electrical and electronic equipment (12.9 per cent), mineral fuels, oils and distillation products (9.9 per cent), vehicles other than railway or tramway (9.5 per cent), and plastics and its articles (5.4 per cent).

The main origins of imports for Ethiopia in 2015 were China (27.8 per cent of the total imports), Kuwait (5.7 per cent), India (5.3 per cent), the USA (4.1 per cent), and Japan (3.6 per cent).

Kenya

Kenya covers a total land area of 569,140 sq. km. with an estimated population of 45.5 million in 2016. Kenya is well endowed with mineral resources and also has rich agricultural land and abundant wildlife, which greatly promotes tourism in the country. Kenya in the recent past has emerged as a technological and financial hub for East and Central Africa. A major techno-city project dubbed the "Silicon Savannah" was launched in Konza, 40 miles from Nairobi, as part of the economic pillar of Kenya's Vision 2030 development plan. IBM has also set up its first African commercial technology research facility in Nairobi.

Kenya's private sector has been vibrant and dynamic. Kenya has a small formal sector engaged mainly in manufacturing focusing on agro-processing and textile manufactures, commodity exports and services, such as tourism. The services sector, driven by booming tourism and the impressive growth of telecommunications, has been a major engine of growth and has been the largest contributor to Kenya's GDP, with a share of 50.5 per cent. Kenya is the most industrialised country in East Africa, and the industrial sector accounts for around 19.3 per cent of GDP of Kenya. Major industries in Kenya include small-scale consumer goods (plastic, furniture, batteries, textiles, clothing, soap, cigarettes, flour); agricultural products; horticulture; oil refining; aluminium; steel; lead; cement; commercial ship repair and tourism.

The Kenyan economy remains dependent on the large, informal and subsistence agriculture, which accounts for over 30 per cent of GDP, and about half of the total exports of the country. Horticulture contributes the highest share of agricultural GDP (33 per cent), followed by food crops (32 per cent), and industrial crops (17 per cent)[3]. Kenya is the world's largest exporter of black tea, and has the Mombasa Tea Auction Center, the second largest tea auction venue in the world, after Colombo in Sri Lanka.

Kenya's economy is the largest among the East African Community (EAC) members in terms of the size of GDP, and accounts for over 40 per cent of the combined GDP of EAC. In absolute terms, Kenya's GDP increased from US$ 42 billion in 2011 to US$ 69.2 billion in 2016, and is expected to increase further to US$ 74.7 billion in 2017. Kenya has enjoyed strong economic growth, which stood at 6.0 per cent in 2016, and is estimated to increase further to 6.1 per cent in 2017. The estimated GDP per capita of Kenya was at US$ 1,521.9 in 2016 **(Table 1.3)**.

During 2016, consumer price inflation has decreased to 6.2 per cent from 6.6 per cent driven by a fall in commodity prices.

Current account deficit narrowed to 6.4 per cent of GDP in 2016 from 9.1 per cent of GDP in 2011. It is expected to narrow further to 6.1 per cent of GDP in 2017. Kenya will depend on external inflows—either debt or investment—to fill external gap.

Kenya's long-term development is guided by its official development strategy, Vision 2030, which prioritises infrastructural investment. Vision 2030 is an ambitious plan which aims to transform Kenya to a newly industrialized, middle-income country by 2030. It is based on three pillars: the economic pillar, which seeks to maintain and sustain economic growth of 10 per cent per year for 25 years; the social pillar, which seeks to invest in Kenya so as to improve the quality of

[3]"Africa's Powerhouse", Foreign Policy, December 2013

Table 1.3: Select Macroeconomic Indicators of Kenya

Items	2011	2012	2013	2014	2015	2016^{e}	2017^{f}
Nominal GDP (US$ bn)	42.0	50.4	55.1	61.4	63.4	69.2	74.7
Real GDP Growth (%)	6.1	4.6	5.7	5.3	5.6	6.0	6.1
GDP per capita, current prices (US$)	1062.1	1238.6	1318.2	1427.8	1434.4	1521.9	1599.4
Inflation, average consumer prices (%)	14.0	9.4	5.7	6.9	6.6	6.2	5.5
Population (mn)	39.5	40.7	41.8	43.0	44.2	45.5	46.7
Merchandise Exports (US$ mn)	5853.3	6135.1	5537.0	6112.5	5471.0	-	-
Merchandise Imports (US$ mn)	15027.5	16284.3	16394.5	18387.8	18687.0	-	-
Current account balance (US$ bn)	-3.8	-4.3	-4.9	-6.3	-4.3	-4.4	-4.6
Current account balance (% of GDP)	-9.1	-8.4	-8.8	-10.3	-6.8	-6.4	-6.1
External Debt (% of GDP)	24.2	23.6	24.9	27.2	30.2	-	-
Foreign Exchange Reserves (US$ mn)	1050.0	847.8	1070.5	1066.0	1029.8	-	-

Note: ^{e}-Estimate; ^{f}-Forecasts; '-' nil, negligible or not available
Source: IMF, World Economic Outlook, October 2016, EIU, Trademap, and Exim Bank Analysis

life in education, health, and housing; and the political pillar, which focuses on moving the nation forward and envisions a democratic system that is issue-based, people-centered, results-oriented, and accountable to the public.

Merchandise Trade

Kenya's exports declined by 10.5 per cent in 2015 to stand at an estimated US$ 5.5 billion compared to US$ 6.1 billion in 2014. During 2015, imports marginally increased by 1.6 per cent to an estimated US$ 18.7 billion from US$ 18.4 billion in the preceding year. Kenya's trade deficit widened to an estimated US$ 13.2 billion in 2015, as against US$ 12.3 billion observed in 2014.

The principal component of Kenya's merchandise export includes coffee, tea, mate and spices, accounting for 26.1 per cent of total exports in 2015. Other major exports in the same year include cut flowers (13.1 per cent), mineral fuels & oils (7.8 per cent), edible vegetables (5.2 per cent), articles of apparel and accessories, not knit or crochet (3.9 per cent), articles of apparel, accessories, knit or crochet (3.4 per cent) and edible fruits and nuts (2.8 per cent).

Uganda was the major destination for Kenya's exports in 2015, accounting for 11.5 per cent of total exports, followed by Tanzania (8.3 per cent), the Netherlands (7.9 per cent), and the USA (7.4 per cent).

As regards imports, major components in Kenya's import basket include petroleum oil, accounting for 12.3 per cent of total imports in 2015, electrical & electronic equipment (10.3 per cent), vehicles other than railway (8.5 per cent), machinery and equipment (7.9 per cent), and plastics and its articles (4.4 per cent).

India was a major import source for Kenya in 2015, accounting for 16.4 per cent of total imports, followed by China (15.3 per cent), UAE (10.4 per cent), and Japan (6.4 per cent).

Rwanda

Rwanda is a landlocked country, with a total land area 24,670 sq. km. With an estimated population of 11.5 million in 2016, Rwanda is one of the most densely populated countries in Africa. Besides being rich in natural resource wealth, Rwanda has been receiving international financial and technical assistance. According to the World Bank, the country depends on foreign aid for 40 per cent of its current budget. Rwanda is considered as one of the fast growing economies in Africa. In April 2005, Rwanda has reached its completion point under the Enhanced HIPC Initiative of the IMF and the World Bank.

Rwanda is mainly an agrarian economy, with agriculture accounting for 34.6 per cent of GDP in 2015 and absorbing more than 70 per cent of the total work force. However, there has been a major diversification of livelihoods towards non-farm activities in the recent years. Industrial sector contributed to 15.1 per cent of the GDP. Some of the prominent industries in Rwanda include cement, agricultural products, small-scale beverages, soap, furniture, shoes, plastic goods, textiles and cigarettes. Rwanda has made tremendous progress over the last decade, enabling it to transform its economy towards a service-oriented one. The services sector is the leading contributor to GDP, accounting for 50.3 per cent of GDP. The economy has shown its resilience in its growth in the past years, supported by increased agricultural productivity, tourism and government spending on infrastructure and housing. Real GDP growth of Rwanda, which moderated in 2013 due to aid suspension, picked up in subsequent years and averaged at 6.7 per cent in the last five years **(Table 1.4)**.

Rwanda's long-term development goals are embedded in its Vision 2020 which seeks to transform Rwanda from a low-income agriculture-based economy to a knowledge-based, service-oriented economy by 2020. In order to achieve this long-term development goal, the Government of Rwanda has also formulated a medium-term strategy – 'The Economic Development and Poverty Reduction Strategy (EDPRS 2)'. The EDPRS 2 aims to achieve a GDP per capita to US$ 1,000; reducing the poverty rate to below 30 per cent; and reducing extreme poverty rate to below 9 per cent, by accelerating annual GDP growth to 10 per cent over the period 2013-2018.

In absolute terms, nominal GDP increased to US$ 8.3 billion in 2016 from US$ 6.4 billion in 2011, and is forecast to increase further to US$ 8.6 billion in 2017, supported by a robust performance in the agricultural sector, which will benefit from investments aimed at boosting resilience to weather-related shocks, increasing productivity, and promoting commercial farming. GDP per capita stood at an estimated US$ 723.5 in 2016.

Table 1.4: Select Macroeconomic Indicators of Rwanda

Items	2011	2012	2013	2014	2015	2016[e]	2017[f]
Nominal GDP (US$ bn)	6.4	7.2	7.5	7.9	8.1	8.3	8.6
Real GDP Growth (%)	7.8	8.8	4.7	7.0	6.9	6.0	6.0
GDP per capita, current prices (US$)	628.1	687.9	700.4	718.6	717.7	723.5	724.7
Inflation, average consumer prices (%)	5.7	6.3	4.2	1.8	2.5	5.3	4.9
Population (mn)	10.2	10.5	10.7	11.0	11.3	11.5	11.8
Merchandise Exports (US$ mn)	401.3	507.0	608.1	653.4	578.7	-	-
Merchandise Imports (US$ mn)	1508.3	1832.0	1989.1	1954.2	1858.1	-	-
Current account balance (US$ bn)	-0.5	-0.8	-0.6	-0.8	-1.1	-1.4	-1.0
Current account balance (% of GDP)	-7.5	-11.4	-7.4	-10.5	-13.5	-16.6	-11.9
External Debt (% of GDP)	19.0	17.5	22.5	25.6	27.7	-	-
Foreign Exchange Reserves (US$ mn)	-	847.8	1070.5	1066.0	1029.8	1114.4	-

Note: [e]-Estimate; [f]-Forecasts; '-' nil, negligible or not available
Source: IMF, World Economic Outlook, October 2016, EIU, Trademap, and Exim Bank Analysis

Consumer price inflation averaged 5.3 per cent in 2016 higher than 2.5 per cent witnessed in the previous year. Inflation is forecast to fall to 4.9 per cent in 2017. With Rwanda being heavily dependent on imports, inflationary pressures are highly sensitive to global price trends.

Current account deficit of Rwanda widened in 2016 to an estimated 16.6 per cent of GDP from 13.5 per cent in the previous year, mainly reflecting widening trade deficits, driven by continued growth in capital and consumer goods import to support domestic economic activity. The deficit would mainly be financed by concessional lending from bilateral and multilateral creditors, drawing down on international reserves and, to a lesser extent, foreign direct investment inflows.

The total foreign exchange reserves with Rwanda increased to US$ 1.1 billion, covering more than 6 months of imports.

Merchandise Trade

Rwanda's exports decreased by 11.4 per cent in 2015 to stand at an estimated US$ 578.7 million compared to US$ 653.4 billion in 2014. During 2015, imports fell by 4.9 per cent to US$ 1.9 billion from US$ 2 billion in the preceding year. Accordingly, Rwanda's trade deficit was at US$ 1.3 billion in 2015, same as that in 2014.

The principal component of Rwanda's merchandise export includes coffee, tea, maté and spices, accounting for 22.8 per cent of total exports in 2015. Other major exports in the same year include ores, slag and ash (20.4 per cent), mineral fuels, mineral oils and products (14.9 per cent), and pearls, precious or semi-precious stones (5.2 per cent).

DR Congo was the major destination for Rwanda's exports in 2015, accounting for 32.2 per cent of total exports, followed by Kenya (15.6 per cent), Switzerland (9.2 per cent), and UAE (6.9 per cent).

As regards imports, major components in Rwanda's import basket include electrical and electronic equipment, accounting for 12.2 per cent of total exports in 2015. Other major exports in the same year include machinery and equipment (11.2 per cent), vehicles other than railway or tramway (6.4 per cent), salt, sulphur, earths and stone (5.6 per cent), and iron and steel (5.1 per cent).

China was a major import source for Rwanda in 2015, accounting for 19.3 per cent of total imports, followed by Uganda (12.6 per cent), India (9.8 per cent), and Kenya (8 per cent).

Tanzania

Tanzania is bordered by Kenya and Uganda to the north, Rwanda, Burundi and DR Congo to the west, Zambia, Malawi, and Mozambique to the south, and Indian Ocean to the east. It is the largest among EAC countries in terms of geographical size, with a land area of 883,749 sq. km. Tanzania has an estimated population of 48.6 million in 2016. Around 52 per cent of the population belongs to the age group of 15-64, indicating a large work force. Population of Tanzania is mostly rural with only 26.4 per cent of population living in urban areas.

The National Development Vision 2025 of Tanzania, established in 1999, aims at transforming the country from an LDC to a middle income country by 2025.

Tanzania has reached the completion point for Enhanced HIPC initiative in November 2001. The country has made significant progress over the past two decades to achieve and maintain macro-economic stability, and is considered one of the best performers in Sub Saharan Africa. Tanzania has commercially exploitable deposits of a range of minerals including gold, diamonds and various gemstones. There are also substantial reserves of uranium, nickel, platinum and natural gas. Tanzania also has deposits of tanzanite, a blue gemstone unique to the country. Arable land accounts for 13.1 per cent of the total land area in Tanzania.

Tanzania maintained a high economic growth over the last decade, propelled by structural reforms, increasing exports, and significant financial deepening. Tanzania is heavily dependent on agriculture, with over twothirds of the labour force employed in the sector, mostly in subsistence farming and smallholder cash-cropping. Agriculture accounted for 31 per cent of GDP and around 80 per cent to the country's total exports. The Tanzanian government is investing an increasing share of its budget in agriculture and is encouraging broader commitments to agribusiness development. These commitments have been confirmed in the Comprehensive Africa Agriculture Development Program (CAADP) for Tanzania, which is linked both to the Agriculture and Food Security Investment Plan and to the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), to ramp up agricultural production. Industrial sector accounts for 25 per cent of GDP, with manufacturing contributing to 10.2 per cent. Tanzania relies heavily on manufacturing to provide employment to its growing population. Mining is another sub-sector, which is an important foreign exchange earner of the country, mainly driven by gold production. Some of the prominent industries in Tanzania include agricultural processing (sugar, beer, cigarettes, sisal twine); mining (diamonds, gold, and iron), salt, soda ash; cement, oil refining, shoes, apparel, wood products and fertilizer. Tanzania is a service oriented economy, with the sector accounting for 44 per cent of total GDP. Services growth is due to a rapid expansion and growth in tourism, telecommunications and the financial sector.

Tanzania's economy has been growing steadily for the past few years. Real GDP of Tanzania is estimated to have grown by 7.2 per cent in 2016 from 6.0 per cent in the previous year, driven by agriculture, manufacturing, wholesale and retail trade, transport and communication activities. In absolute terms, nominal GDP of Tanzania increased from US$ 33.6 billion in 2011 to US$ 46.7 billion in 2016, and is estimated to have further increased to US$ 50.5 billion in 2017. Tanzania recorded an estimated per capita GDP of US$ 960.2 in 2016, higher than US$ 957.1 in 2015 **(Table 1.5)**.

The main thrust of the monetary policy of the Bank of Tanzania, the central bank, is to control the growth of broad money supply and credit growth to the private sector, in order to keep inflation under control and support economic growth. Consumer price inflation, which was as high as 12.7 per cent in 2011, was gradually contained at 5.2 per cent in 2016, driven by higher food output, a fall in global oil prices and prudent monetary policy.

Tanzania is structurally in a current account deficit, with the deficit remaining unchanged at 8.8 per cent

Table 1.5: Select Macroeconomic Indicators of Tanzania

Items	2011	2012	2013	2014	2015	2016[e]	2017[f]
Nominal GDP (US$ bn)	33.6	39.1	44.4	48.3	45.6	46.7	50.5
Real GDP Growth (%)	7.9	5.1	7.3	7.0	7.0	7.2	7.2
GDP per capita, current prices (US$)	765.3	870.0	969.1	1032.3	957.1	960.2	1017.5
Inflation, average consumer prices (%)	12.7	16.0	7.9	6.1	5.6	5.2	5.0
Population (mn)	43.9	44.9	45.8	46.7	47.7	48.6	49.6
Merchandise Exports (US$ mn)	4735.0	5547.2	4412.5	5704.7	5854.2	-	-
Merchandise Imports (US$ mn)	11184.2	11715.6	12525.4	12691.1	14706.0	-	-
Current account balance (US$ bn)	-3.6	-4.5	-4.7	-4.6	-4.0	-4.1	-4.4
Current account balance (% of GDP)	-10.8	-11.6	-10.6	-9.5	-8.8	-8.8	-8.8
External Debt (% of GDP)	26.5	25.6	26.1	27.2	31.5	32.2	-
Foreign Exchange Reserves (US$ mn)	3726.2	4052.2	4673.7	4390.4	4072.9	-	-

Note: [e]-Estimate; [f]-Forecasts; '-' nil, negligible or not available
Source: IMF, World Economic Outlook, October 2016, EIU, Trademap, and Exim Bank Analysis

of GDP in 2016, from that in 2015, which is expected to sustain in the following year as well. International reserves of the Tanzania stood at US$ 4.1 billion in 2015, representing an import cover of 5 months.

Merchandise Trade

Tanzania’s exports increased by 2.6 per cent in 2015 to an estimated US$ 5.9 billion, from US$ 5.7 billion in the previous year. Imports on the other hand, increased by 15.9 per cent to stand at an estimated US$ 14.7 billion in 2015 from US$ 12.7 billion in 2014. As a result, Tanzania’s trade deficit widened to an estimated US$ 8.9 billion in 2015, compared to US$ 7 billion in 2014.

Pearls and precious stones were the main exports of Tanzania in 2015, accounting for 24.9 per cent of total exports of the country. The other major export items in 2015 included ores, slag and ash (8.1 per cent), edible fruits (6.8 per cent), and electrical and electronic equipment (6.5 per cent).

The major destinations of Tanzania’s exports in 2015 were India (19.6 per cent of total exports), Kenya (13.6 per cent), South Africa (11.5 per cent), China (9.6 per cent), and Oman (4.3 per cent).

Mineral fuels, oils and distillation products formed the principal import of Tanzania in 2015, accounting for 50.7 per cent of total imports of the country. Other major import items in the same year included electrical and electronic equipment (6.6 per cent of total imports), machinery and instruments (6.5 per cent), vehicles other than railway, tramway (5.7 per cent), and plastics and articles (3 per cent).

The main origins of Tanzania’s imports in 2015 were Saudi Arabia (40.6 per cent of total imports), China (12.6 per cent), India (8.6 per cent), UAE (5.7 per cent), and South Africa (5.5 per cent).

Uganda

Uganda is a landlocked country bordered by Sudan, Kenya, DR Congo, Tanzania and Rwanda, covering a

Box 2: Tanzania – Mineral Policy of 2009, Mining Act, 2010 and Natural Gas Policy, 2013

The Mineral Policy of 2009 and the new Mining Act of 2010 were response to challenges faced and experience gained by Tanzania during the 12 years implementation of the Mining Act, 1998.

Mineral Policy of 2009

The Mineral Policy of 2009 was formulated as a result of an evaluation conducted during the ten years of implementation of the Mineral Policy of 1997. The Mineral Policy of 2009 aims at strengthening integration of the mineral sector with other sectors of the economy; improving economic environment for investment; maximizing benefits from mining; improving the legal environment; strengthening capacity for administration of the mineral sector; developing small scale miners; promoting and facilitating value addition to minerals; and strengthening environmental management. Moreover, the Government remains the regulator and facilitator of the mineral sector; promoter of private sector investment in the mineral sector; and will participate strategically in mining projects.

The Mineral Sector Policy of Tanzania provides a written declaration of the framework of policy objectives and statements that will guide the Government and stakeholders in the management of the mineral sector on a sustainable basis. The vision of the policy is to have an effective mineral sector, contributing significantly to the acceleration of socio- economic development through sustainable development and utilisation of mineral resources in Tanzania by 2025. The mission is to set policies, strategies and laws; regulate mineral exploration, production, trading, value addition and mineral actors for sustainable development of mineral resources; and integrate with other sectors of the economy.

Mining Act, 2010

The Government of Tanzania has revised its mining code in 2010. The main provisions in the Act include: the licensing authority may, upon consent of the mineral right holder, grant more than one mineral right over the same mining area; a mining licence for mining gemstones shall only be granted to Tanzanians. Where development of gemstone resources require specialized skills and high level of investment, non-Tanzanians may participate to a level not more than 50 per cent; Government may negotiate with any mineral right to acquire free-carried interest and state participation in any mining operations under a special mining licence; Government to develop standard model for Mineral Development Agreement and these are to be reviewed by parties after every five years; duration of special mining licence is capped at the expected life of the ore body indicated in the feasibility study report or such period as the applicant may request, or whichever period is shorter; mining entities are obliged to give preference to local procurement of goods and services; requirement for mining entities to provide for the posting of a rehabilitation bond to finance the costs of rehabilitating and making safe the mining area on termination of mining operations; an increase in the royalty payments on the gross value of minerals made by companies at 5 per cent in the case of Uranium, 5 per cent in the case of gemstones and diamonds, 4 per cent in the case of metallic such as copper, gold, silver, and platinum group minerals, 1 per cent in the case of gem, and 3 per cent in the case of other minerals; and requirement for listing with a domestic stock exchange.

Source: Ministry of Energy and Minerals (MEM), Tanzania

Natural Gas Policy, 2013

Tanzania's cabinet has approved a natural gas policy for the country's fast-growing gas industry, with the vision of a vibrant and competitive natural gas industry contributing significantly to broad based growth and socio-economic transformation of Tanzania. Its mission is to create enabling conditions for the supply and effective utilization of natural gas to all market segments across the entire value chain in a reliable, transparent, effective, safe, sustainable and environmentally friendly manner. Tanzania is estimated to have 42.7 trillion cubic feet of gas following big finds off its southern coast.

The provisions of the new natural gas policy includes: ensuring that domestic market is given first priority over the export market in gas supply; working with international oil and gas companies to ensure opportunities for supply of goods and services, employment and investments are made available to Tanzanians and the capacity of Tanzanians is developed in the natural gas value chain through skills development, transfer of technology and applied research; enforcing sound practices in environmental, health and safety management; ensuring that there is a contractual obligation to all investors and contractors in the natural gas activities to undertake locally prioritized community development programmes; and companies to be list in local stock exchange. The policy also calls for the establishment of a natural gas revenue fund to ensure transparency and accountability over collection, allocation, expenditure and management of all natural gas revenues.

Source: Government of Tanzania

total land area of 199,810 sq. km., of which 34 per cent is arable land. Key mineral resources in Uganda include copper, iron ore, gold, phosphates, tungsten, tin, beryl, tantalum, niobium, phosphates and limestone. Commercially viable oil deposits have been first discovered in the Albertine Graben region of Uganda in 2006 and Uganda's proven oil reserves were estimated to be 3.5 billion barrels in 2013, which are expected to yield at least US$ 2 billion per year for 30 years once oil production commences.

Agricultural sector accounted for 26.7 per cent of Uganda's GDP. Though the importance of agricultural output in the economy has declined in recent years in relation to industry and services, it nevertheless continues to remain the largest employer, with an estimated 80 per cent of the population depending on agriculture and allied activities for their livelihood. Although export crop production has witnessed a significant increase, subsistence farming still continues to act as the backbone of agricultural sector, accounting for almost half of agricultural output. Driven by rapid growth in telecommunications, financial services, trade, and hotels and restaurants, the services sector has now emerged as the economy's largest and most dynamic sector, contributing 51.6 per cent of total GDP. Industry, on the other hand, accounts for 21.7 per cent of GDP. Most manufacturing is focused on processing of food, drinks and tobacco, primarily for domestic consumption. Large-scale industries include tobacco, beverages, construction material, and chemicals. Uganda holds huge unexplored potential of mineral resources though the share of mining in country's GDP is very low.

Real GDP growth of Uganda picked up marginally to 4.9 per cent in 2016, after witnessing a moderation in growth in the previous year. Growth is expected to pick up further to touch 5.5 per cent in 2017, mainly driven by public investment in infrastructure.

Spurred by large projects in the power and transport sectors, as well as residential developments in urban areas, the construction industry is expected to expand rapidly. A more reliable power supply and better logistical links with neighbouring countries are also expected to support the burgeoning manufacturing industry. In absolute terms, GDP stood at US$ 25.6 billion in 2016, increasing from US$ 21.1 billion in 2011; and is estimated to have reached US$ 27.6 billion in 2017. GDP per capita is estimated at US$ 623.4 in 2016, up from US$ 594.5 in 2011 **(Table 1.6)**.

Table 1.6: Select Macroeconomic Indicators of Uganda

Items	2011	2012	2013	2014	2015	2016^e	2017^f
Nominal GDP (US$ bn)	21.1	24.6	25.6	27.5	24.3	25.6	27.6
Real GDP Growth (%)	6.8	2.6	4.0	4.9	4.8	4.9	5.5
GDP per capita, current prices (US$)	601.4	678.2	680.7	710.6	609.5	623.4	653.2
Inflation, average consumer prices (%)	15.1	12.9	5.0	3.1	5.5	5.5	5.1
Population (mn)	35.1	36.3	37.6	38.7	39.9	41.1	42.3
Merchandise Exports (US$ mn)	2159.1	2357.5	2407.7	2262.0	2267.0	-	-
Merchandise Imports (US$ mn)	5630.9	6044.1	5817.5	6073.5	5528.1	-	-
Current account balance, (US$ bn)	-2.1	-1.7	-1.8	-2.4	-2.3	-2.2	-2.5
Current account balance (% of GDP)	-10.0	-6.8	-7.1	-8.7	-9.4	-8.7	-8.9
External Debt (% of GDP)	15.5	15.3	18.8	18.2	23.7	-	-
Foreign Exchange Reserves (US$ mn)	2617.5	3167.2	3337.5	3316.4	2908.9	-	-

Note: ^{e}-Estimate; ^{f}-Forecasts; '-' nil, negligible or not available
Source: IMF, World Economic Outlook, October 2016, EIU, Trademap, and Exim Bank Analysis

The current account deficit narrowed from 10 per cent of GDP in 2011 to 8.7 per cent of GDP in 2016 as there has been a steady growth in agricultural exports and the tourism sector. International reserves increased from US$ 2.6 billion in 2011 to US$ 2.9 billion in 2015, providing 7 months of import cover. Uganda has also reached the completion point for Enhanced HIPC initiative in May 2000.

Merchandise Trade

In 2015, Uganda's exports increased marginally by 0.2 per cent to an estimated US$ 2.3 billion. Uganda's imports, on the other hand, declined by 9 per cent to an estimated US$ 5.5 billion in 2015, as compared to US$ 6.1 billion recorded in 2014. Accordingly, Uganda's trade deficit narrowed to US$ 3.3 billion in 2015, as compared to US$ 3.8 billion recorded a year ago.

Coffee, tea, mate and spices were the principal export items of Uganda, accounting for 21.1 per cent of the total exports in 2015. Other major items exported by Uganda in 2015 included mineral fuels, oils and its products (6.6 per cent of total exports), cereals (6.3 per cent), and marine products (5.2 per cent).

Kenya was the leading export destination for Uganda, accounting for 18.8 per cent of total exports in 2015. Other major destinations for Uganda's exports in the same year included Sudan (including South Sudan) (15.6 per cent of total exports), Rwanda (10.5 per cent), DR Congo (6.7 per cent) and Italy (4.5 per cent).

Mineral fuels, oils and its products were the major items imported by Uganda in 2015, accounting for 18.7 per cent of the total imports. Other principal items imported by Uganda in 2015 include vehicles other than railway or tramway (9.6 per cent of total imports), machinery and equipment (8.7 per cent), electrical and electronic equipment (7.7 per cent), and pharmaceutical products (6.7 per cent).

India was the major supplier of Uganda's imports, accounting for 20.9 per cent of the total imports in 2015. Other important sources of imports in the same year included China (15.8 per cent of total imports), Kenya (10 per cent), UAE (7.3 per cent), Japan (6.3 per cent), and South Africa (4.6 per cent).

2. Recent Trends in Investments in Select East African Countries

Foreign Direct Investment (FDI) as an instrument enhances a country's manufacturing and export competitiveness. It is generally known to be the most stable component of capital flows needed to finance the current account deficit. Moreover, it adds to investible resources, provides access to advanced technologies, assists in gaining production know-how and promotes exports.

The contribution that FDI can make towards economic development and integration into the world economy is widely recognized. For this reason, African countries have made considerable efforts, over the past decade, to improve their investment climate. Economic growth in Africa has been driven not just because of oil or mineral wealth. Asia's thirst for competitive exports has spread to the African continent too. At the same time, the national Governments are also modifying their policies and encouraging private investment in viable and profitable projects with a lasting impact on development.

Prospects for the East African region can be assessed from the recent robust trend in FDI inflows into the region. According to AfDB, FDI inflows to East Africa have been increasing since 2010. Among the countries in the East Africa Region, Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda, together accounted for 6.4 per cent of the FDI stock in Africa in 2015. Kenya, Tanzania and Uganda are attracting investors reflecting the shift towards consumer goods.

Burundi

FDI flows to Burundi, though rising, have been at low levels, vis-à-vis other African countries. In 2015, FDI inflows to Burundi stood at US$ 7.4 million, as compared to US$ 47.1 million in the previous year **(Table 2.1)**. As regards FDI stock (inward), Burundi's FDI stock stood at US$ 70.2 million in 2015 (2.4 per cent of GDP). FDI outflows from Burundi were also at low levels at US$ 0.2 million in 2015.

The Government of Burundi (GOB) seeks to attract foreign investments; however, inexpert fiscal governance and corruption limit FDI inflows[4]. The Government has made progress in improving the business climate, with the adoption of an investment code in September 2008. According to this Code, investors are not required to obtain an investment certificate. The entry and establishment of foreign investments does not include any particular conditions or restrictions. Despite the continued existence of state monopolies, all economic sectors are open to foreign investment.

Under the Investment Code, the Government created the Burundi Investment Promotion Agency (API) in October 2009. The API is professionally and financially independent and its main objectives include: to inform and assist potential investors, to ensure that new laws and regulations created to benefit investors are being upheld, and to promote reforms aimed at improving the business climate.

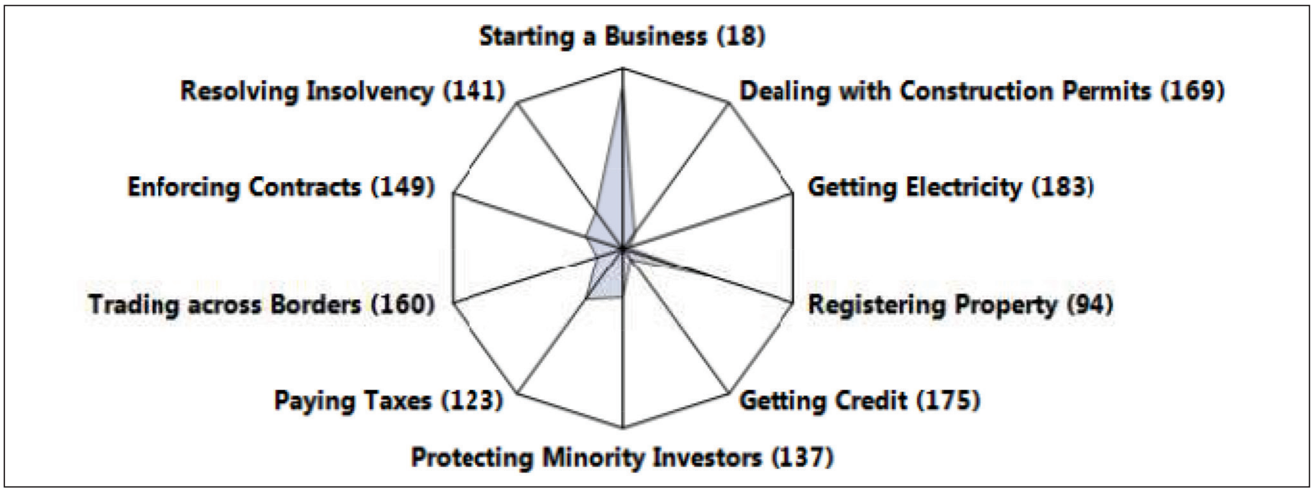
Table 2.1: FDI Inflows (Flows and Stock) to Burundi (US$ mn)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FDI Inflows (Flows)	0.03	0.5	3.8	0.3	0.8	3.4	-	7.3	47.1	7.4
FDI Inflows (Stock)	0.7	1.1	4.7	5.1	5.8	8.4	9.0	15.8	62.9	70.2

Source: UNCTADSTAT, UNCTAD

[4]Burundi Investment Climate Statements 2015, U.S. Department of State

Chart 2.1: Rankings on Doing Business topics – Burundi



Scale: Rank 190 center, Rank 1 outer edge.
Source: Doing Business 2017, World Bank

Doing Business in Burundi

In Doing Business 2017 survey conducted by the World Bank Group, Burundi was ranked 157th of the 190 economies ranked on their ease of doing business. The 10 topics included in the Doing Business ranking 2017 are: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Globally, Burundi stands at 18 in the ranking of 190 economies on the 'ease of starting a business' ranking **(Chart 2.1)**. Select initiatives taken by the GOB to attract investments include introduction of a new unique tax return and elimination of the personalized value added tax declaration form during 2015-16. In March 2013, Burundi established a one-stop shop for property transfers, combining the services of the municipality of Bujumbura, Burundi Revenue Authority and land registry, enabling companies to complete property transfers faster without making multiple visits to different agencies. Trading across borders was made easier by eliminating the requirement for a pre-shipment inspection clean report of findings.

Bilateral Investment Treaties

Burundi has Bilateral Investment Treaties (BITs) with BLEU (Belgium-Luxembourg Economic Union), Comoros, Germany, Kenya, Mauritius, the Netherlands and the UK. Of these, agreements with Comoros and Kenya are signed but not in force **(Table 2.2)**.

Table 2.2: Bilateral Investment Treaties of Burundi

No.	Partners	Status	Date of signature	Date of entry into force
1	BLEU (Belgium-Luxembourg Economic Union)	In force	April 13, 1989	September 12, 1993
2	Comoros	Signed (not in force)	May 18, 2001	
3	Germany	In force	September 10, 1984	December 9, 1987
4	Kenya	Signed (not in force)	April 1, 2009	
5	Mauritius	In force	May 18, 2001	November 22, 2009
6	Netherlands	In force	May 24, 2007	August 1, 2009
7	United Kingdom	In force	September 13, 1990	September 13, 1990

Source: Investment Policy Hub, UNCTAD

Major Sectors and Sources of FDI in Burundi

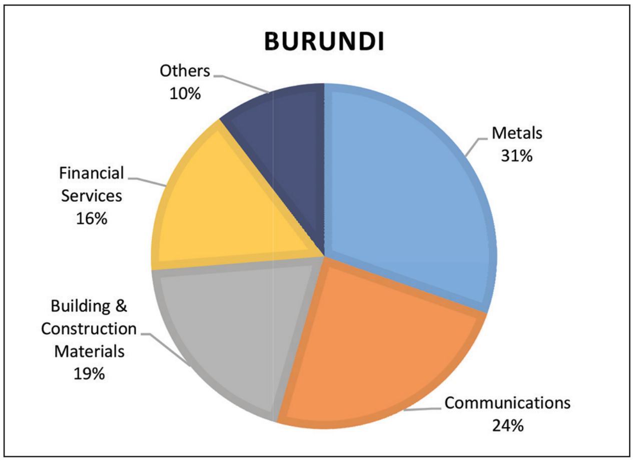
During 2006-2015, most of the FDI inflows to Burundi were in the metals, communications, and construction **(Chart 2.2)**. During the same period, major investors in Burundi include the UK, Switzerland, Egypt, Kenya, and Vietnam **(Chart 2.3)**. Some of the leading investors in Burundi include Diamond Trust Bank (Kenya); Global Trust Bank (Uganda); Commercial Bank of Africa (Kenya); Healthcare Global Enterprises (India); and Aga Khan Development Network (Switzerland)[5,6].

Ethiopia

FDI inflows to Ethiopia stood at US$ 2.2 billion in 2015, as compared to US$ 2.1 billion in the previous year. In terms of FDI stock, Ethiopia's FDI inflows stood at US$ 10.7 billion, accounting for 1.4 per cent of Africa's FDI stock as on 2015. According to AfDB's African Economic Outlook 2016, FDI inflows to Ethiopia have mainly been in labour-intensive areas. Although the 32 projects launched in Ethiopia in 2015 accounted for only 4.4 per cent of total investment in Africa, these made up 18.5 per cent of the jobs from FDI in Africa. Ethiopia has slowly been opening up to foreign investment in the manufacturing and retail sectors. Textile and garment firms from Bangladesh, China and Turkey seeking alternative production bases for export to the European Union (EU) and North America invested US$ 2.2 billion in Ethiopia last year, especially because of its privileged exports under the African Growth and Opportunity Act (AGOA) and economic partnership agreements (EPAs)[7].

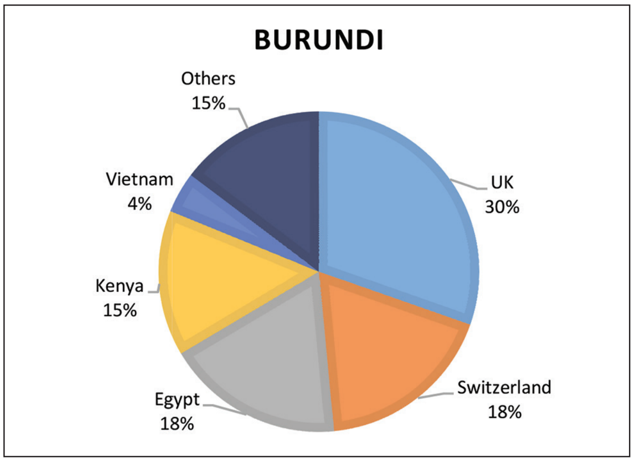
The Government's GTP II (2016–2020), includes among others, incentives for international investors, such as facilitation of repatriation of investment and profit, ease in hiring expatriate personnel, temporary income tax exemptions for investments in selected sectors, duty-free imports of capital goods, components and raw materials for exporting industries and manufacturers in priority sectors. Key sectors targeted by the government in the second GTP include renewable energy, construction, healthcare, tourism, textile and apparel, leather products, telecommunication infrastructure and value-added services, and aviation support services and products.

Chart 2.2: Major Sectors attracting FDI in Burundi during 2006-2015



*FDI Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.
Source: FDIMarkets.com

Chart 2.3: Major Sources of FDI in Burundi during 2006-2015



*FDI Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.
Source: FDIMarkets.com

[5]The COMESA Regional Investment Agency (http://www.comesaria.org)
[6]Santander Trade Portal
[7]World Investment Report 2016, UNCTAD

While public sector infrastructure projects can provide significant investment opportunities, the government limits the capital available to the private sector by requiring banks to deposit 28 per cent of their loan portfolio in government bonds, reducing the overall volume available as credit. In addition, access to foreign exchange is controlled by the National Bank of Ethiopia, and companies can experience delays of more than six months in obtaining the forex needed for imports. Ethiopia is not a signatory of major Intellectual Property Rights treaties[8].

The Ethiopian Investment Commission (EIC) is the Investment Promotion Agency of Ethiopia. It is a government organization established in 1992 to promote private investment, primarily foreign direct investment. The overall activities of the Commission are supervised and followed up by an Investment Board, which is chaired by the Prime Minister.

Doing Business in Ethiopia

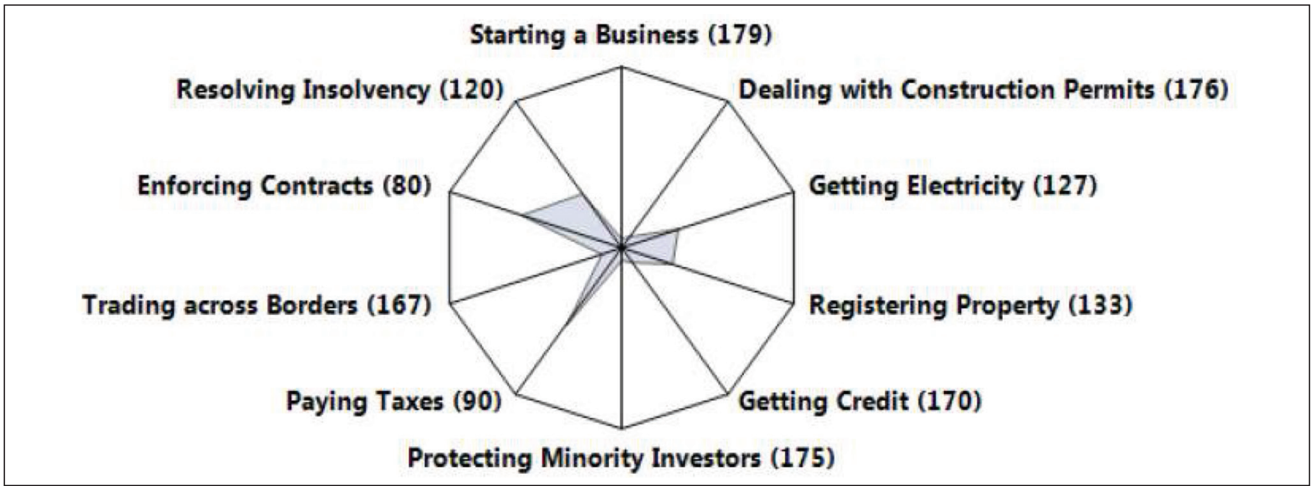
In Doing Business 2017 survey conducted by the World Bank Group, Ethiopia was ranked 159th of 190 economies. Investors face several challenges when doing business in Ethiopia, some of these include, starting a business, dealing with construction permits, protecting minority investors, getting credit and trading across borders **(Chart 2.4)**.

Table 2.3: FDI Inflows (Flows and Stock) to Ethiopia (US$ mn)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FDI Inflows (Flows)	545.3	222.0	108.5	221.5	288.3	626.5	278.6	1281.3	2132.0	2167.6
FDI Inflows (Stock)	3366.0	3588.0	3696.5	3918.0	4206.3	4832.8	5111.4	6392.7	8524.7	10692.3

Source: UNCTADSTAT, UNCTAD

Chart 2.4: Rankings on Doing Business topics – Ethiopia



Scale: Rank 190 center, Rank 1 outer edge.
Source: Doing Business 2017, World Bank

[8]Ethiopia Investment Climate Statements 2016, U.S. Department of State

Bilateral Investment Treaties

Ethiopia's BITs have been listed in **Table 2.4**. Of the BITs signed, Ethiopia has operational BITs with Algeria, Austria, China, Denmark, Egypt, Finland, France, Germany, Iran, Israel, Italy, Kuwait, Libya, Malaysia, the Netherlands, Sudan, Sweden, Switzerland, Tunisia, Turkey and Yemen.

The government of Ethiopia has expressed interest in accession to the World Trade Organization. In 2015, Ethiopia became a full member of the Common Market for Eastern and Southern Africa (COMESA) and ratified the Free Trade Area (FTA) in 2014, heading towards full FTA in five phases by 2021. In addition, the COMESA - Eastern Africa Community (EAC) - Southern Africa Development Community (SADC) tripartite FTA was launched in June 2015.

Table 2.4: Bilateral Investment Treaties of Ethiopia

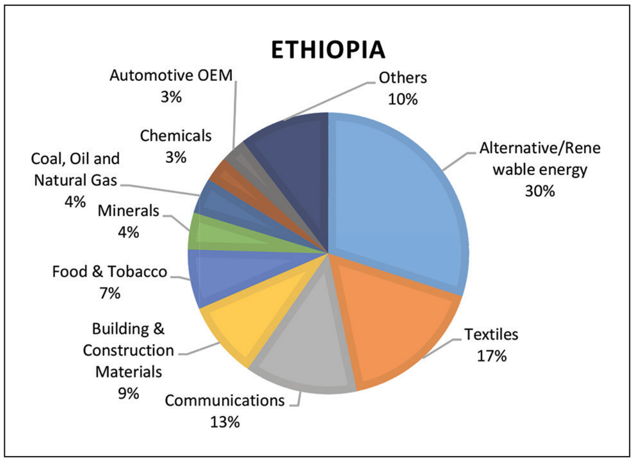
No.	Partners	Status	Date of signature	Date of entry into force
1	Algeria	In force	June 4, 2002	November 1, 2005
2	Austria	In force	November 12, 2004	November 1, 2005
3	BLEU (Belgium-Luxembourg Economic Union)	Signed (not in force)	October 26, 2006	
4	China	In force	May 11, 1998	May 1, 2000
5	Denmark	In force	April 24, 2001	August 21, 2005
6	Egypt	In force	July 27, 2006	May 27, 2010
7	Equatorial Guinea	Signed (not in force)	June 11, 2009	
8	Finland	In force	February 23, 2006	May 3, 2007
9	France	In force	June 25, 2003	August 7, 2004
10	Germany	In force	January 19, 2004	May 4, 2006
11	India	Signed (not in force)	July 5, 2007	
12	Iran, Islamic Republic of	In force	October 21, 2003	December 15, 2004
13	Israel	In force	November 26, 2003	March 22, 2004
14	Italy	In force	December 23, 1994	May 8, 1997
15	Kuwait	In force	September 14, 1996	November 12, 1998
16	Libya	In force	January 27, 2004	June 25, 2004
17	Malaysia	In force	October 22, 1998	June 4, 1999
18	Netherlands	In force	May 16, 2003	July 1, 2005
19	Nigeria	Signed (not in force)	January 19, 2004	
20	Russian Federation	Signed (not in force)	February 10, 2000	
21	South Africa	Signed (not in force)	January 1, 2008	
22	Spain	Signed (not in force)	March 17, 2006	
23	Sudan	In force	March 7, 2000	May 15, 2001
24	Sweden	In force	December 10, 2004	October 1, 2005
25	Switzerland	In force	June 26, 1998	December 7, 1998
26	Tunisia	In force	December 14, 2000	October 2, 2004
27	Turkey	In force	November 16, 2000	March 10, 2005
28	United Arab Emirates	Signed (not in force)	February 23, 2016	
29	United Kingdom	Signed (not in force)	November 19, 2009	
30	Yemen	In force	April 15, 1999	April 15, 2000

Source: Investment Policy Hub, UNCTAD

Major Sectors and Sources of FDI in Ethiopia

Ethiopia's Government is seeking foreign investment to finance ambitious infrastructure projects, including its planned Grand Ethiopian Renaissance Dam on the Nile[9]. Select major sectors that attracted high investments during 2006-2015 include alternative or renewable energy, textiles, communications, construction, and food and tobacco, among others **(Chart 2.5)**.

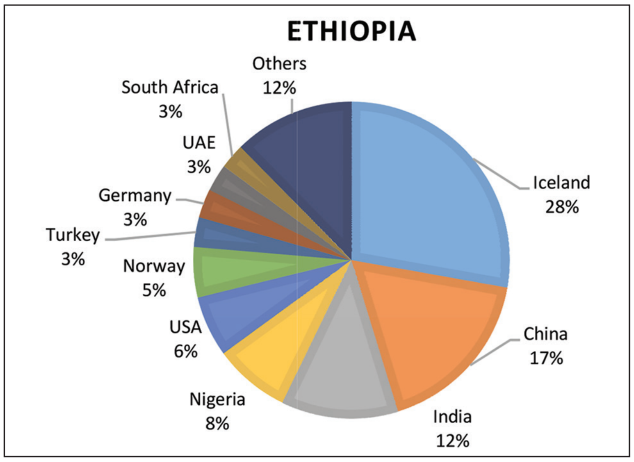
Chart 2.5: Major Sectors attracting FDI in Ethiopia during 2006-2015



*FDI Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.
Source: FDIMarkets.com

During 2006-2015, Ethiopia has become highly attractive for foreign investment, especially among countries such as Iceland, China, India, Nigeria, the USA, Norway and Turkey **(Chart 2.6)**. China has been increasingly investing in the country, especially in the construction, textile, electricity and telecommunications sectors. Some of the leading investors in Ethiopia include ZTE (China); Huawei Technologies (China); Castel (France); Heinken (the Netherlands); Ayka Addis (Turkey); Otto Kessler (Germany); Tesco (British); Hiroki (Japan); H&M (Sweden); ETUR Textile (Turkey); Julphar (UAE); Kanoria (India); MNS (Turkey); Ruchi Group (India); Emami (India); Emke Group (UAE); Anmol Group (India); Kanan Devan Hills (India); and El Sewedy Electric (Egypt), among others[10].

Chart 2.6: Major Sources of FDI in Ethiopia during 2006-2015



*FDI Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.
Source: FDIMarkets.com

Kenya

Kenya is an attractive destination for international firms seeking a location for their regional or pan-African operations. The investment climate is characterized by stable monetary and fiscal conditions and a legal environment that makes few distinctions between foreign and domestic investment. Some of the key features of Kenya vis-à-vis other East African countries is its strong telecommunications infrastructure, dynamic financial sector, well connected aviation sector within Africa and to Europe and Asia, and the Mombasa Port. Increasing integration among the members of the East African Community as well as Kenya's membership in other regional trade blocks provide growing access to a large regional market outside of Kenya[11].

[9]Ernst & Young's Attractiveness Survey Africa 2015
[10]The COMESA Regional Investment Agency (http://www.comesaria.org)
[11]Kenya Investment Climate Statements 2016, U.S. Department of State

FDI inflows (flows) to Kenya reached a record high of US$ 1.4 billion in 2015, as compared to US$ 1 billion in the previous year, resulting from renewed investor interest, confidence in the country's business climate and booming domestic consumer market[12]. The rise in Kenya's investments is mainly due to the Chinese investments in the mining and hydrocarbon sectors[13]. As on 2015, Kenya's FDI inflow (stock) stood at US$ 5.9 billion **(Table 2.5)**. Kenya is becoming a favoured business hub, not only for oil and gas exploration but also for manufacturing exports, as well as consumer goods and services. In an effort to attract more foreign investors, Kenya allows 100 per cent foreign ownership of companies listed on its stock exchange.

FDI outflows from Kenya stood at US$ 217 million in 2015, as compared to US$ 27.8 million in 2014. FDI outflows from Kenya during the year were mainly in the banking sector. Equity Bank and Diamond Trust Bank expanded its operations in Uganda, Ethiopia, Zimbabwe, Burundi, Malawi and Zambia during the year[14].

Kenya Investment Authority (KenInvest) is a statutory body established in 2004 through an Act of Parliament (Investment Promotion Act of 2004) with the main objective of promoting investments in Kenya. It is responsible for facilitating the implementation of new investment projects, providing After Care services for existing investments, as well as organizing investment promotion activities both locally and internationally The core functions of KenInvest include policy advocacy, investment promotion, investment facilitation, investor tracking and After Care services.

Doing Business in Kenya

In Doing Business 2017 survey conducted by the World Bank Group, Kenya ranked 92nd of 190 economies, an increase from 113 in the Doing Business 2016 survey[15]. Among the 48 countries in the Sub-Saharan Africa region, Kenya ranked 5th in the same ranking. Kenya's rankings based on the parameters of the Doing Business 2017 are represented in **Chart 2.7**. According to the Doing Business 2017 survey, Kenya made starting a business easier by removing the stamp duty fees required for the nominal capital, memorandum and articles of association. Kenya also eliminated requirements to sign the declaration of compliance before a commissioner of oaths. However, the introduction of a flat fee for company incorporation, made starting a business more expensive. Select other initiatives, to attract investments include, among others, streamlining the process of getting electricity by introducing the use of a geographic information system which eliminates the need to conduct a site visit, thereby reducing the time and interactions needed to obtain an electricity connection; and registering property was made easier by increasing the transparency at its land registry and cadaster. Minority investors were protected with new rules of having greater requirements for disclosure of related party transactions to the board of directors, and making it easier to sue directors in cases of prejudicial related party transactions. Kenya also made resolving insolvency easier by introducing a reorganization procedure, facilitating continuation of the debtor's business during insolvency proceedings and introducing regulations for insolvency practitioners.

Table 2.5: FDI Inflows (Flows and Stock) to Kenya (US$ mn)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FDI Inflows (Flows)	50.7	729.1	95.6	115.0	178.1	335.2	258.6	514.4	1050.7	1437.0
FDI Inflows (Stock)	1164.3	1893.4	1989.0	2103.9	2282.0	2617.2	2875.9	3390.2	4440.9	5877.9

Source: UNCTADSTAT, UNCTAD

[12] World Investment Report 2016, UNCTAD
[13] Santander Trade Portal
[14] World Investment Report 2016, UNCTAD
[15] DB2016 ranking (of 113 for Kenya) is not the published ranking but a comparable ranking for DB2016 that captures the effects of such factors as data revisions and the changes in methodology.

Chart 2.7: Rankings on Doing Business topics – Kenya

Scale: Rank 190 center, Rank 1 outer edge.
Source: Doing Business 2017, World Bank

Bilateral Investment Treaties

Kenya has BITs with France, Germany, Italy, the Netherlands, Switzerland, and the United Kingdom **(Table 2.6)**. Kenya is a beneficiary of the African Growth and Opportunity Act (AGOA), which provides duty-free access to the US market for Kenyan textile, apparel, and other export goods. Kenya is also part of a Trade and Investment Framework Agreement with the United States as part of Common Market for Eastern and Southern Africa (COMESA) since 2001, and as part of the East African Community (EAC) since 2008.

Table 2.6: Bilateral Investment Treaties of Kenya

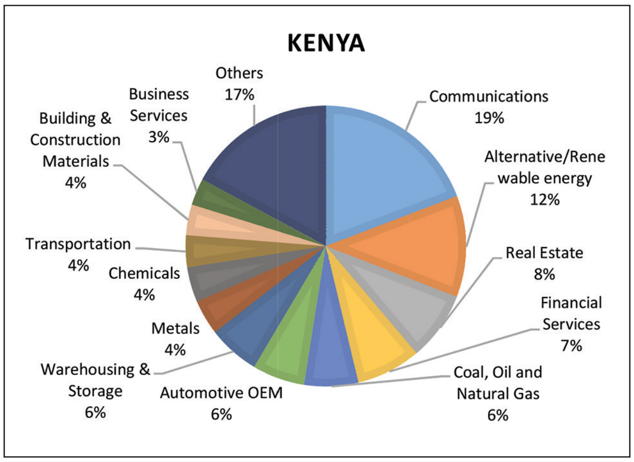
No.	Partners	Status	Date of signature	Date of entry into force
1	Burundi	Signed (not in force)	April 1, 2009	
2	China	Signed (not in force)	July 16, 2001	
3	Finland	Signed (not in force)	September 1, 2008	
4	France	In force	December 4, 2007	May 26, 2009
5	Germany	In force	May 3, 1996	December 7, 2000
6	Iran, Islamic Republic of	Signed (not in force)	February 24, 2009	
7	Italy	In force	September 16, 1996	August 4, 1999
8	Japan	Signed (not in force)	August 28, 2016	
9	Korea, Republic of	Signed (not in force)	July 8, 2014	
10	Kuwait	Signed (not in force)	November 12, 2013	
11	Libya	Signed (not in force)	June 5, 2007	
12	Mauritius	Signed (not in force)	May 7, 2012	
13	Netherlands	In force	September 11, 1970	June 11, 1979
14	Slovakia	Signed (not in force)	December 14, 2011	
15	Switzerland	In force	November 14, 2006	July 10, 2009
16	Turkey	Signed (not in force)	April 8, 2014	
17	United Kingdom	In force	September 13, 1999	September 13, 1999

Source: Investment Policy Hub, UNCTAD

Major Sectors and Sources of FDI in Kenya

Most sectors in Kenya are open to foreign investment. In recent years, the telecommunications sector has attracted the most FDI, mainly due to the arrival of fibre optics in 2009-2010. The other sectors attracting FDI are alternative or renewable energy, real estate, financial services, and coal, oil and natural gas, among others **(Chart 2.8).**

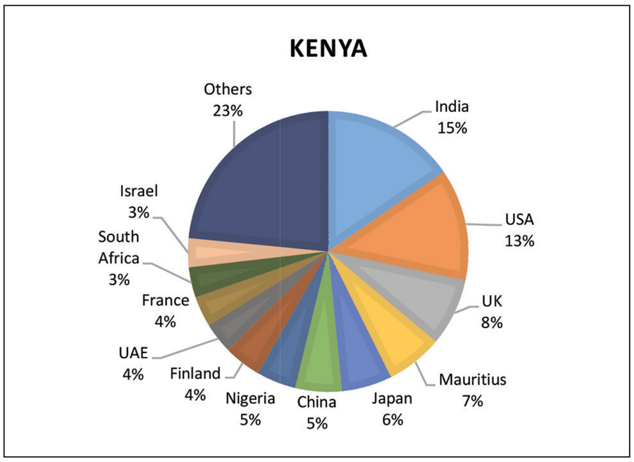
Chart 2.8: Sector-wise Investments in Kenya during 2006-2015



*FDI Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.
Source: FDIMarkets.com

Foreign investors seeking to establish a presence in Kenya generally receive the same treatment as local investors, and multinational companies make up a large percentage of Kenya's industrial sector. Kenya has become highly attractive for foreign investment, especially among countries such as India, the USA, the UK, Mauritius, Japan and China **(Chart 2.9)**. Some of the major investments in Kenya include Standard Chartered, Cisco, Heineken, Huawei, CitiBank, Coca-Cola, Google, Diageo, LG, Toyota, Visa, Sony, Del Monte, GM, KFC, Airtel, Tullow, IBM and Villa Rosa[16].

Chart 2.9: Major Sources of FDI in Kenya during 2006-2015



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Source: FDIMarkets.com

Rwanda

FDI inflows (flows) to Rwanda have been on an upward trajectory, to reach a record high of US$ 471.2 million in 2015. Rwanda's FDI stock, as on 2015, was at US$ 1.2 billion **(Table 2.7)**. Although FDI stocks have increased in recent years due to Rwanda's political stability and measures focused on improving the business climate, foreign investments remain rather weak. The political instability of its neighbouring country, DR Congo, has had an impact on the entire Great Lakes region and has played a negative role in Rwanda's FDI inflows[17].

In May 2015, the Government enacted a new investment code replacing one enacted in 2005. The new code aimed at providing more tax breaks and attractive incentives to help facilitate private investment in Rwanda. The introduction of this code was in line with the government development programme 'Vision 2020', which aims to significantly improving the business climate. The new code outlines incentives for international companies

[16]The COMESA Regional Investment Agency (http://www.comesaria.org)
[17]Santander Trade Portal

headquartered in Rwanda that include a preferential corporate income tax rate of zero per cent if a company fulfills certain minimal capital (at least US$ 10 million in both tangible and intangible assets in Rwanda) and local staff requirements. Any registered investor is eligible for a 15 per cent corporate tax rate (down from 30 per cent) for priority sectors such as energy generation, mass transportation or telecommunications. Additional corporate income tax holidays of up to seven years are also available. The Investment Code also includes equal treatment between foreigners and nationals with regard to certain operations, free transfer of funds, and compensation against expropriation. The key sectors targeted for investment include information technology, health, tourism, manufacturing, and other export-oriented industry and energy projects, which are vital to clearing bottlenecks to development[18].

The Rwanda Development Board (RDB) is a one-stop shop set up by bringing together all the government agencies responsible for the entire investor experience. This includes key agencies responsible for business registration, investment promotion, environmental clearances, privatization and specialist agencies, which support the priority sectors of ICT and tourism as well as SMEs and human capacity development in the private sector. The RDB is an independent body reporting directly to the President.

Rwanda's low level of human resources, landlocked position and high operating costs are some of the factors that limit its potential attractiveness. Nevertheless, Rwanda has substantial reserves of methane gas, an unexplored mining potential and is one of the least corrupt countries in Africa. The Government has also continued to develop liberal policies to make Rwanda a trade and services hub[19].

Doing Business in Rwanda

In Doing Business 2017 survey conducted by the World Bank Group, Rwanda ranked 56th out of 190 economies, an increase from its 59th rank in 2016[20]. Among the 48 countries in the Sub-Saharan Africa region, Rwanda ranked 2nd, after Mauritius in the same ranking. Of the 10 topics included in the Doing Business Ranking, Rwanda ranked second in the 'getting credit' parameter and fourth in 'registering property' **(Chart 2.10)**.

According to the Doing Business 2017 survey, select initiatives taken by the Government of Rwanda to improve its rankings include improving the online registration and streamlining post-registration procedures; introducing effective time limits and increasing the transparency of the land administration system, thereby easing the process for registering property; removing the mandatory pre-shipment inspection for imported products for making trading across borders easier; and enforcing contracts was made easier by introducing an electronic case management system for judges and lawyers.

However, during the same year, Rwanda made dealing with construction permits more cumbersome and expensive by introducing new requirements to obtain a building permit. At the same time, Rwanda also strengthened quality control by establishing required qualifications for architects and engineers. Rwanda made paying taxes more complicated by introducing a requirement that companies file and pay social security contributions monthly instead of quarterly.

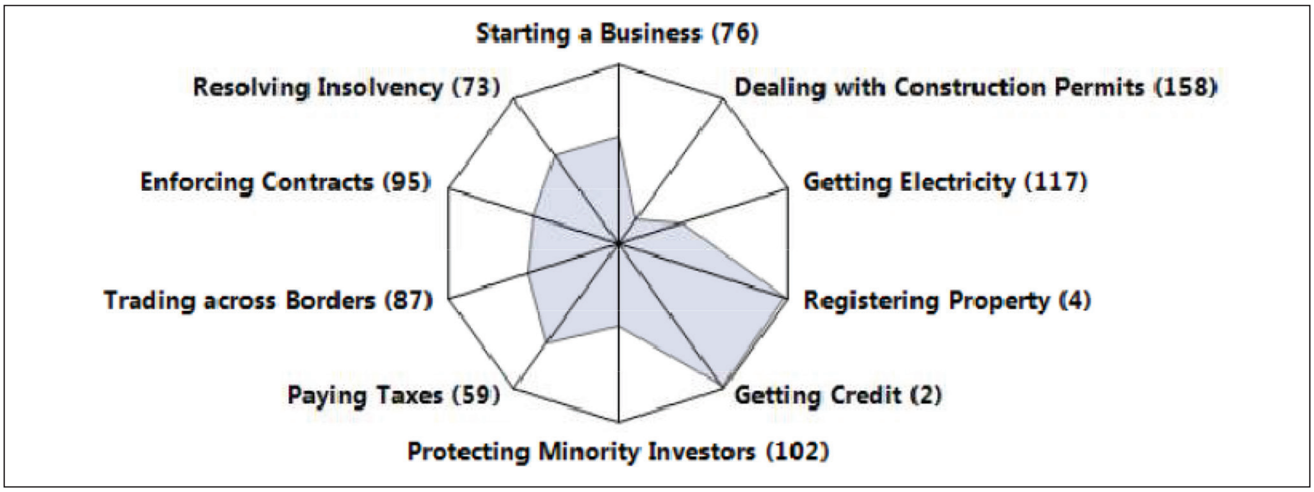
Table 2.7: FDI Inflows (Flows and Stock) to Rwanda (US$ mn)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FDI Inflows (Flows)	30.6	82.3	102.3	118.7	250.5	119.1	255.0	257.6	458.9	471.2
FDI Inflows (Stock)	88.2	170.4	273.7	392.4	422.1	495.1	715.9	837.7	1152.3	1183.3

Source: UNCTADSTAT, UNCTAD

[18]Rwanda Investment Climate Statements 2016, U.S. Department of State
[19]Santander Trade Portal
[20]DB2016 ranking (of 59 for Rwanda) is not the published ranking but a comparable ranking for DB2016 that captures the effects of such factors as data revisions and the changes in methodology.

Chart 2.10: Rankings on Doing Business topics – Rwanda



Scale: Rank 190 center, Rank 1 outer edge.
Source: Doing Business 2017, World Bank

Bilateral Investment Treaties

Rwanda has BITs with BLEU (Belgium-Luxembourg Economic Union), Germany, Republic of Korea and the USA **(Table 2.8).**

Table 2.8: Bilateral Investment Treaties of Rwanda

No.	Partners	Status	Date of signature	Date of entry into force
1	BLEU (Belgium-Luxembourg Economic Union)	In force	November 2, 1983	August 1, 1985
2	Germany	In force	May 18, 1967	February 28, 1969
3	Korea, Republic of	In force	May 29, 2009	February 16, 2013
4	Mauritius	Signed (not in force)	July 30, 2001	
5	Morocco	Signed (not in force)	October 19, 2016	
6	South Africa	Signed (not in force)	October 19, 2000	
7	Turkey	Signed (not in force)	November 3, 2016	
8	United States of America	In force	February 19, 2008	January 1, 2012

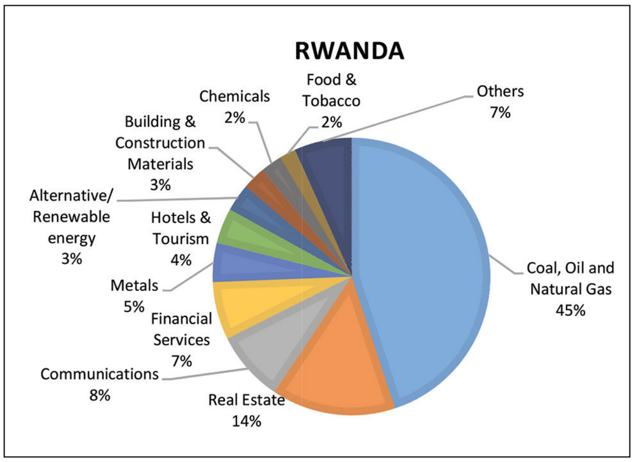
Source: Investment Policy Hub, UNCTAD

Major Sectors and Sources of FDI in Rwanda

The government's target sectors for investment include information technology, health, tourism, manufacturing, and other export-oriented industry and energy projects. During 2006-2015, coal, oil and natural gas attracted the highest investments, followed by real estate, communications, financial services, and metals, among others **(Chart 2.11)**. In 2012, the Government of Rwanda and the American company Visa Inc. signed a contract for the development of electronic financial services, opening the door to new future investments in this sector. Rwanda has since continued to develop its technology sector; the country has highly developed demonetised payment systems[21].

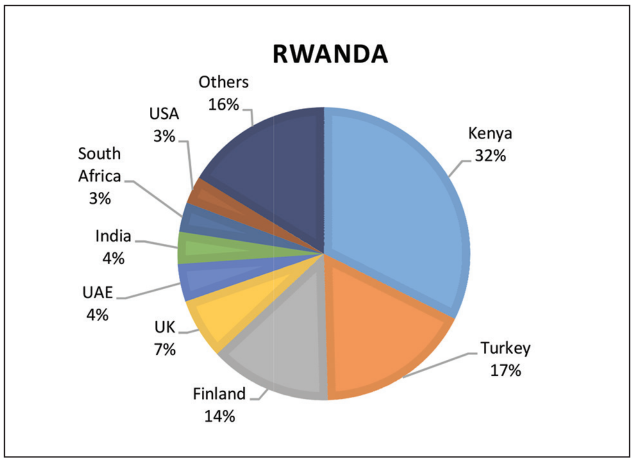
During 2006-2015, major investors in Rwanda include Kenya, Turkey, Finland, the UK, UAE, and India **(Chart 2.12)**. In 2015, Taaleritehdas (Finland) announced an investment worth US$ 865 million in Rwanda in the real estate, commercial and institutional building construction sector. This was among the 10 largest greenfield projects announced in 2015 in Landlocked Developing Countries (LLDCs)[22]. Some of the major investments in Rwanda include Kenya Commercial Bank (Kenya); Access Bank (Nigeria); Dubai World (UAE); United Bank of Africa (Nigeria); Global Trust Bank (Uganda); Tong Yang Moolsan (South Africa); IPP Media (Tanzania); Safal Investments (Mauritius); Star Communication Network (China); MTN Group (South Africa); ZTE (China); KT (Korea) and YUMN (Turkey)[23] .

Chart 2.11: Sector-wise Investments in Rwanda during 2006-2015



*FDI Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.
Source: FDIMarkets.com

Chart 2.12: Major Sources of FDI in Rwanda during 2006-2015



*FDI Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.
Source: FDIMarkets.com

[21]The COMESA Regional Investment Agency (http://www.comesaria.org)
[22]World Investment Report 2016, UNCTAD
[23]The COMESA Regional Investment Agency (http://www.comesaria.org)

Tanzania

Tanzania is the twelfth-most preferred destination for foreign investment in Africa, with an FDI stock of US$ 18.5 billion and accounting for 2.5 per cent of Africa's FDI stock in 2015. As regards FDI flows, inflows to Tanzania stood at US$ 1.5 billion in 2015, as compared to US$ 2 billion in 2014 **(Table 2.9)**.

The Tanzanian government continues to pursue economic policies to reduce poverty, encourage good governance, and protect workers' rights. These include some steps to encourage private sector-led growth. In February 2013, former President Jakaya Kikwete launched the Big Results Now (BRN) initiative to focus attention on six priority areas, namely energy and natural gas, agriculture, water, education, transport and mobilization of resources. In November 2013, the government added a seventh area on 'business enabling environment' to the list.

A number of new hydrocarbon fields have been discovered and coal reserves have grown from 1.5 to 5 billion tons, indicating a potential area for investment[24]. Tanzania's services sector is also growing strongly, driven by telecommunications, banking, and trade. The tourism sector of Tanzania is yet to be fully explored, and thus is a sector with strong growth potential. In recent years, the government has sought to attract investment in both productive and extractive sectors, including agriculture with the Kilimo Kwanza (agriculture first) strategy and the development of the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), and mining, with both sectors eligible for 100 per cent capital expenditure deductions[25].

The government has a favorable attitude towards foreign investors. In an effort to attract more foreign investors, Tanzania allows 100 per cent foreign ownership of companies listed on its stock exchanges[26].

The Tanzania Investment Center (TIC), established by the Tanzanian Investment Act of 1997, is a one-stop agency for investors, helping to obtain permits, licenses, visas, and land access among other support. Registering with TIC is not mandatory, but offers incentives for joint ventures with Tanzanians and wholly owned foreign projects investing a minimum of US$ 500,000 or projects worth US$ 100,000 if locally owned.

TIC-approved projects receive TIC certificates of incentives which include VAT and import duty exemptions and 100 per cent repatriation of profits, dividends, and capital after tax. Similar incentives are offered to investors in semi-autonomous Zanzibar through the Zanzibar Investment Promotion Authority (ZIPA).

The Tanzania Investment Regulations distinguish 'strategic investors', eligible for additional incentives, stating that such investors may be selected by the government based on a number of criteria including the size of the investment and its impact on the national economy, significant job creation potential, and the introduction of new technology, among others. According to TIC, a minimum investment of US$ 50 million is required for joint ventures with Tanzanians and wholly owned foreign projects to receive 'strategic investor' status. In 2015, the government introduced a 'special strategic investor' with an investment threshold

Table 2.9: FDI Inflows (Flows and Stock) to Tanzania (US$ mn)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FDI Inflows (Flows)	403.0	581.5	1383.3	952.6	1813.3	1229.4	1799.6	2087.3	2049.3	1531.5
FDI Inflows (Stock)	4827.2	5950.1	6945.6	7898.6	9712.0	10941.4	12740.9	14871.8	16921.1	18452.6

Source: UNCTADSTAT, UNCTAD

[24]Santander Trade Portal
[25]Tanzania Investment Climate Statements 2016, U.S. Department of State
[26]World Investment Report 2016, UNCTAD.

of US$ 300 million for a foreign investor to qualify for additional incentives[27]. All strategic investment projects are approved by the National Investment Steering Committee (NISC), which is chaired by the Prime Minister.

Doing Business in Tanzania

World Bank's Doing Business 2017 survey ranked Tanzania ranked 132nd out of 190 economies, an increase from its 144th rank in the 2016 ranking[28] **(Chart 2.13)**. According to the Survey, Tanzania's credit bureau expanded the credit bureau borrower coverage and began to distribute credit data. However, during the same year, Tanzania made paying taxes more complicated by increasing the frequency of filing of the skills development levy and more costly by introducing a workers' compensation tariff paid by employers.

Bilateral Investment Treaties

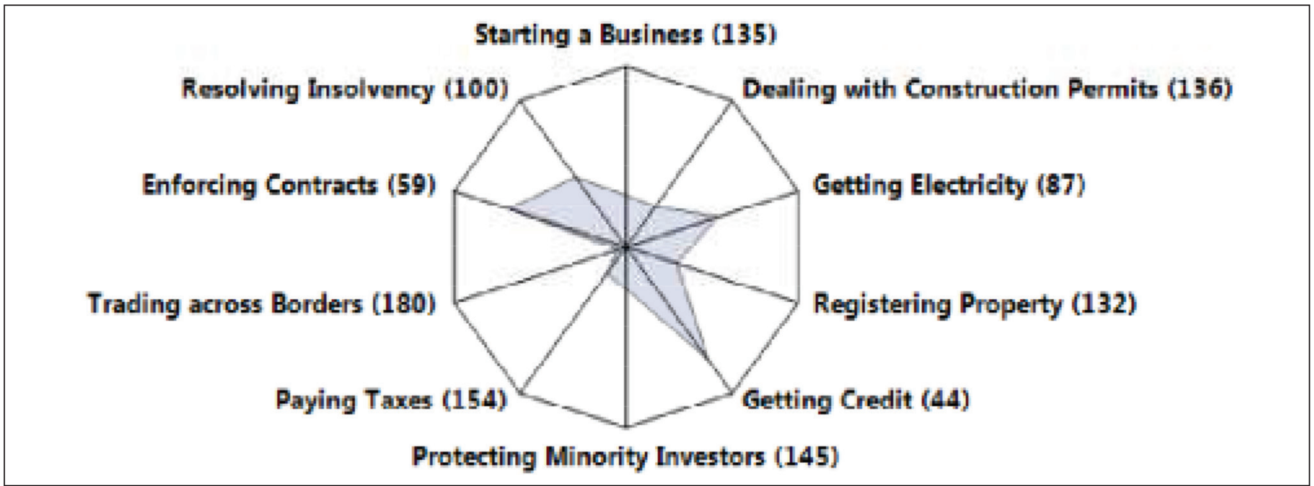
Tanzania has bilateral investment treaties with 19 countries, of which treaties with Canada, China, Denmark, Finland, Germany, Italy, Mauritius, the Netherlands, Sweden, Switzerland and the UK are operational **(Table 2.10)**.

Major Sectors and Sources of FDI in Tanzania

Tanzania's investment prospects are in sectors including the energy and mining sector, given the country's deposits of coal, natural gas, and uranium. Tanzania's services sector is also growing strongly, driven by telecommunications, banking, and trade. Untapped potential in the tourism sector can be utilized with an increased infrastructure investment. The TIC promotes investment and trade opportunities in agriculture, mining, tourism, telecommunications, financial services, energy and transportation infrastructure. Select major sectors that attracted high investments during 2006-2015 include coal, oil and natural gas, communications, metals, alternative or renewable energy, chemicals and financial services, among others **(Chart 2.14)**.

During 2006-2015, major sources of FDI into Tanzania include the UK, Denmark, Kenya, India, the USA and Mauritius **(Chart 2.15)**. According to TIC, very few international firms (primarily Kenyan) list on the Dar-es-Salaam Stock Exchange. In 2013, the Government launched several large-scale infrastructure projects (port facilities, oil and energy production, gas liquefaction) that were carried out and financed by China (EUR 850 million for a gas pipeline) among others[29].

Chart 2.13: Rankings on Doing Business topics – Tanzania



Scale: Rank 190 center, Rank 1 outer edge.
Source: Doing Business 2017, World Bank

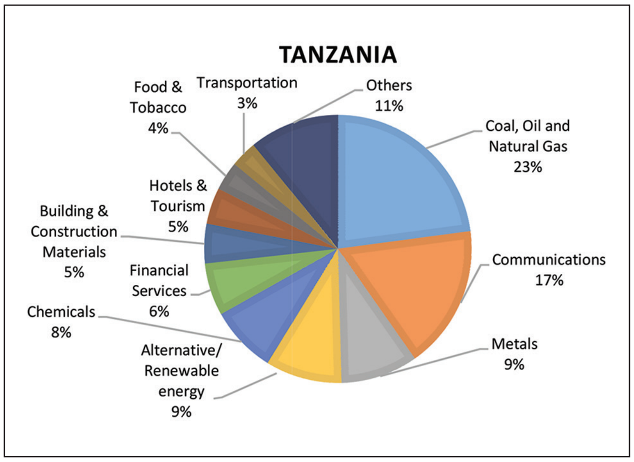
[27]Tanzania Investment Climate Statements 2016, U.S. Department of State
[28]DB2016 ranking (of 144 for Tanzania) is not the published ranking but a comparable ranking for DB2016 that captures the effects of such factors as data revisions and the changes in methodology.
[29]Santander Trade Portal

Table 2.10: Bilateral Investment Treaties of Tanzania

No.	Partners	Status	Date of signature	Date of entry into force
1	Canada	In force	May 17, 2013	December 9, 2013
2	China	In force	March 24, 2013	April 17, 2014
3	Denmark	In force	April 22, 1999	October 21, 2005
4	Egypt	Signed (not in force)	April 30, 1997	
5	Finland	In force	June 19, 2001	October 30, 2002
6	Germany	In force	January 30, 1965	July 12, 1968
7	Italy	In force	August 21, 2001	April 25, 2003
8	Jordan	Signed (not in force)	October 8, 2009	
9	Korea, Republic of	Signed (not in force)	December 18, 1998	
10	Kuwait	Signed (not in force)	November 17, 2013	
11	Mauritius	In force	May 4, 2009	March 2, 2013
12	Netherlands	In force	July 31, 2001	April 1, 2004
13	Oman	Signed (not in force)	October 16, 2012	
14	South Africa	Signed (not in force)	September 22, 2005	
15	Sweden	In force	September 1, 1999	March 1, 2002
16	Switzerland	In force	April 8, 2004	April 6, 2006
17	Turkey	Signed (not in force)	March 11, 2011	
18	United Kingdom	In force	January 7, 1994	August 2, 1996
19	Zimbabwe	Signed (not in force)	July 3, 2003	

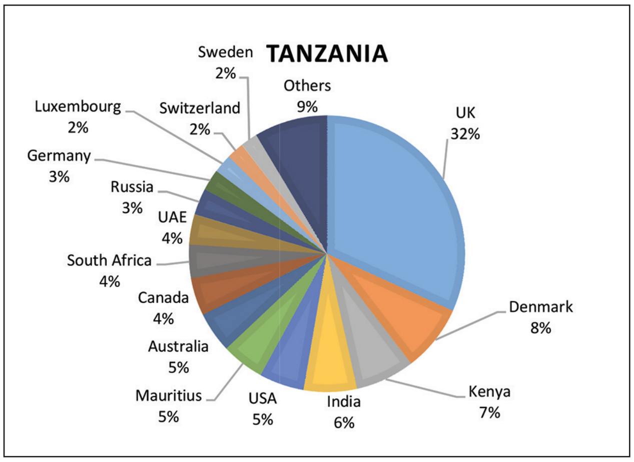
Source: Investment Policy Hub, UNCTAD

Chart 2.14: Major Sectors attracting FDI in Tanzania during 2006-2015



*FDI Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.
Source: FDIMarkets.com

Chart 2.15: Major Sources of FDI in Tanzania during 2006-2015



*FDI Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.
Source: FDIMarkets.com

Uganda

FDI inflows (flows) to Uganda in 2015 remained at US$ 1 billion, same as that recorded in 2014 **(Table 2.11)**. Ugandan policies, laws, and regulations are generally favorable towards foreign investors. Ugandan law allows for 100 per cent foreign-owned businesses and foreign businesses are allowed to partner with locals without any restrictions. The government also provides generous incentives for industrial development. According to AfDB's African Economic Outlook 2016, Uganda's oil sector is expected to drive the country's foreign investments.

Uganda Investment Authority (UIA) is a semi-autonomous government agency set up under the Investment Code 1991 mandated to initiate and support measures that enhance investment in Uganda and to advise government on appropriate policies conducive for investment promotion and growth.

Outward FDI (flows) from Uganda were at low levels of US$ 0.3 million in 2015.

Doing Business in Uganda

In Doing Business 2017 survey conducted by the World Bank Group, Uganda ranked 115th out of 190 economies, an increase from its 116th rank in 2016[30]. Among the 48 countries in the Sub-Saharan Africa region, Uganda ranked 12th in the same ranking.

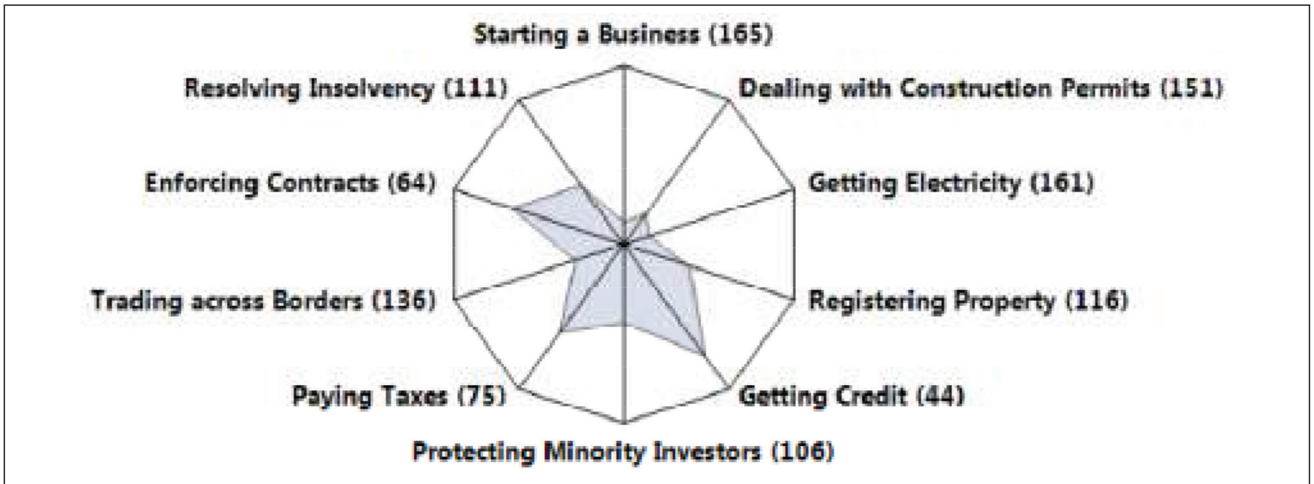
Uganda made starting a business easier by eliminating the requirement that a commissioner of oaths must sign compliance declarations. Paying taxes was made easier by eliminating a requirement for tax returns to be submitted in paper copy following online submission. At the same time, Uganda increased the stamp duty for insurance contracts. Trading across borders Uganda made trading across borders easier by constructing the Malaba One-Stop Border Post, which reduced border compliance time for exports.

Table 2.11: FDI Inflows (Flows and Stock) to Uganda (US$ mn)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FDI Inflows (Flows)	644.3	792.3	728.9	841.6	543.9	894.3	1205.4	1096.0	1058.6	1057.3
FDI Inflows (Stock)	2668.6	3460.9	4189.8	5031.4	5575.2	6469.5	7674.9	8770.9	9829.5	10886.8

Source: UNCTADSTAT, UNCTAD

Chart 2.16: Rankings on Doing Business topics – Uganda



Scale: Rank 190 center, Rank 1 outer edge.
Source: Doing Business 2017, World Bank

[30]DB2016 ranking (of 116 for Uganda) is not the published ranking but a comparable ranking for DB2016 that captures the effects of such factors as data revisions and the changes in methodology.

Bilateral Investment Treaties

Uganda's operational BITs include Denmark, France, Germany, Italy, the Netherlands, Switzerland, and the UK **(Table 2.12)**.

Table 2.12: Bilateral Investment Treaties of Uganda

No.	Partners	Status	Date of signature	Date of entry into force
1	BLEU (Belgium-Luxembourg Economic Union)	Signed (not in force)	01/02/2005	
2	China	Signed (not in force)	27/05/2004	
3	Cuba	Signed (not in force)	01/01/2002	
4	Denmark	In force	26/11/2001	19/10/2005
5	Egypt	Signed (not in force)	04/11/1995	
6	Eritrea	Signed (not in force)	30/06/2001	
7	France	In force	03/01/2003	20/12/2004
8	Germany	In force	29/11/1966	19/08/1968
9	Italy	In force	12/12/1997	24/09/1999
10	Netherlands	In force	30/05/2000	01/01/2003
11	Nigeria	Signed (not in force)	15/01/2003	
12	South Africa	Signed (not in force)	08/05/2000	
13	Switzerland	In force	23/08/1971	08/05/1972
14	United Kingdom	In force	24/04/1998	24/04/1998
15	Zimbabwe	Signed (not in force)	01/07/2003	

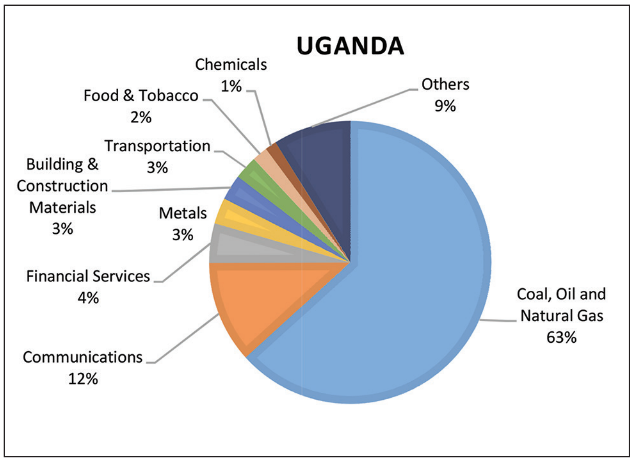
Source: Investment Policy Hub, UNCTAD

Major Sectors and Sources of FDI in Uganda

Uganda is rich in natural resources, most of the FDI inflows to Uganda are into coal, oil and natural gas sector, communications, financial services, and metals **(Chart 2.17)**.

During 2006-2015, major sources of FDI into Uganda include the UK, Kenya, Mauritius, Luxembourg, and India **(Chart 2.18)**. In 2015, Russian Technologies State Corporation (Rostec), Russia, announced an investment worth US$ 4 billion in Uganda in the petroleum refineries sector. This was the largest greenfield project announced in least developed countries (LDCs) in 2015[31]. Major investments in Uganda include Kenya Commercial Bank (Kenya), Toyota Motor (Japan), MTN group (South Africa), Barclays Bank (UK), SABMiller (UK), United Bank for Africa (Nigeria), Heritage Oil (UK), France Telecom (France), Bank of Baroda (India), Kingdom Hotel Investments (UAE), Libyan Arab African Investment Company (Libya) and Bharti Group (India)[32].

Chart 2.17: Major Sectors attracting FDI in Uganda during 2006-2015



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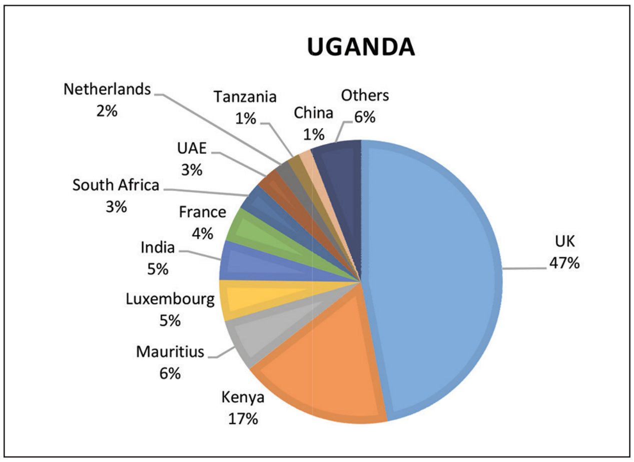
Source: FDIMarkets.com

Chart 2.18: Major Sources of FDI in Uganda during 2006-2015



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Source: FDIMarkets.com

[31]World Investment Report 2016, UNCTAD
[32]The COMESA Regional Investment Agency (http://www.comesaria.org)

3. India's Investments in Select East African Countries

Eastern African countries have historically enjoyed close economic ties with India and much of it is through investment-led trade, in sectors like textiles, agribusiness and in natural resources. India's relation with East Africa is one of the oldest links of India, dating back to thousands of years. East Africa is one of the economically vibrant regions of Africa. The proximity of East Africa to Indian Ocean provides an added advantage to increasing trade and investment relation with India. The current scale and pace of India's investment flows with East Africa is unprecedented even though it constitutes a very small part in comparison to other regions of the world.

India's Investments Relations with Select East African Countries

Cumulatively, during April 1996 to December 2016, the Indian direct investments in select East African countries (Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda) in joint ventures (JVs) and wholly owned subsidiaries (WOS), in terms of equity, loan and guarantees issued amounted to US$ 416 million, accounting for 0.1 per cent of India's global overseas investments during the period **(Table 3.1).** During 2015-16, FDI Outflows to these countries stood at US$ 34.6 million. During 2015-16, outflows to Ethiopia were the highest in the region,

Table 3.1: India's Approved Overseas Direct Investment in Select East African Countries (US$ mn)

Name of the country	April 1996 to March 2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (Apr-Dec)	April 1996 to December 2016
Burundi	-	-	-	-	-	-	-	-	-
Ethiopia	12.2	3.7	3.6	3.1	6.0	42.2	17.0	15.9	103.6
Kenya	150.4	0.7	1.8	8.7	1.8	6.1	3.8	6.4	179.6
Rwanda	18.9	-	-	1.0	2.3	1.5	1.1	0.7	25.5
Tanzania	36.3	6.6	7.4	7.4	3.8	1.6	11.4	0.2	74.8
Uganda	3.6	23.3	0.3	0.5	0.7	1.5	1.4	1.4	32.6
India's FDI Outflows to Select East African Countries	**221.3**	**34.3**	**13.1**	**20.6**	**14.6**	**52.9**	**34.6**	**24.5**	**416.0**
Total FDI Outflow	**89479.8**	**43929.0**	**30862.9**	**26872.4**	**36900.5**	**30919.5**	**22016.5**	**19192.6**	**300173.2**

Note: '-' not available/ negligible; Approved overseas direct investments are in terms of equity, loan and guarantee issued to joint ventures (JVs) and wholly owned subsidiaries (WOS).
Source: Ministry of Commerce and Industry (MOCI), Government of India; RBI; and Exim Bank Analysis

accounting for 49 per cent of the total FDI outflows to the region, followed by Tanzania (32.9 per cent), and Kenya (11 per cent). FDI outflows from India to Burundi were are negligible or nil levels.

Ethiopia

Cumulatively, during April 1996 to December 2016, India's approved direct investments in Ethiopia amounted to US$ 103.6 million. Indian investments in Ethiopia were mainly in the manufacturing sector, accounting for over 90 per cent of the total investments in Ethiopia **(Chart 3.1)**.

Some of the notable Indian companies invested in Ethiopia include Kanoria Chemicals and Industries Ltd., Frigerio Conserva Allana Ltd., Anmol Polymers Pvt. Ltd., Indagro Foods Ltd., CLC Enterprises Ltd., B K Birla Group, M/s Karturi, Emami Biotech, Ruchi Soya, Shapoorji Pallonji, Ramton Agri, and M/S Sainik Potash, among others **(Annexure 1)**.

India and Ethiopia have entered into a Bilateral Investment Promotion and Protection Agreement (BIPPA) in 2007, and a Double Taxation Avoidance Agreement (DTAA) in 2011.

Kenya

Cumulatively, during April 1996 to December 2016, India's approved direct investments in Kenya amounted to US$ 179.6 million. Indian investments in Kenya were mainly in the manufacturing sector, accounting for 85 per cent of the total investments in Kenya, followed by construction and financial services **(Chart 3.2)**.

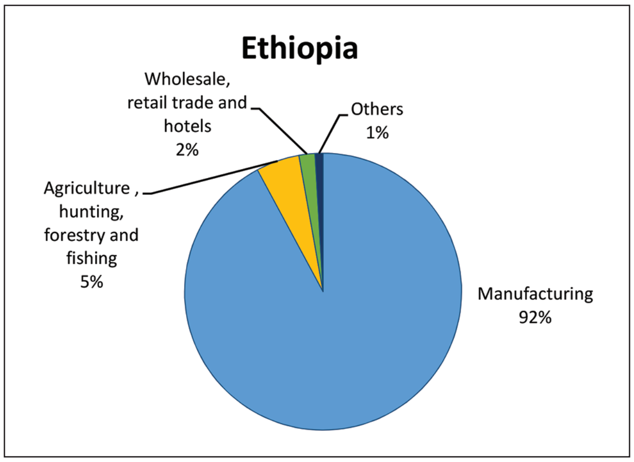
Some of the notable Indian companies in Kenya include Essar Energy (petroleum refining), Bharti Airtel, Reliance Industries Ltd. (petroleum retail); Tata (Africa) (automobiles, IT, pharmaceuticals, etc.). Others include Kalpataru Power Transmission Ltd., Kirloskar Brothers Ltd., Mahindra & Mahindra, Thermax, Wipro, Jain Irrigation System Ltd., Emcure, Dr. Reddy, Cipla, Cadila, TVS and Mahindra Satyam, etc., have business presence in Kenya **(Annexure 2)**.

The India-Kenya DTAA was signed in 1989.

Branches / subsidiaries / joint ventures / representative offices of Indian Banks in Kenya

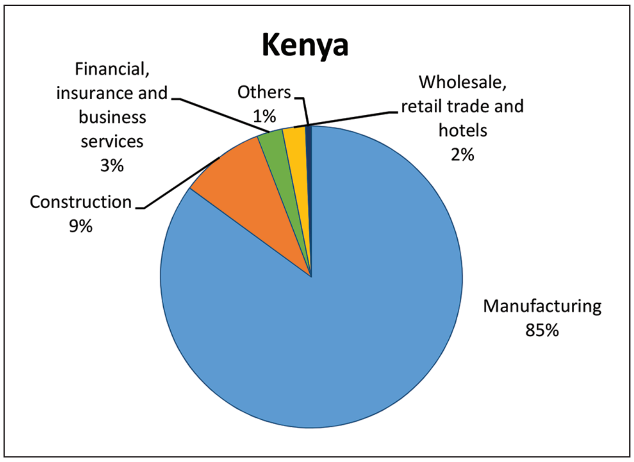
With a view to enhance commercial relations, some Indian banks have set up operations in Kenya[33]. Indian Banks in Kenya include:

Chart 3.1: Sector-wise India's Approved Direct Investments in Ethiopia



Note: Data available for investments between July 2007 – December 2016.
Source: Reserve Bank of India

Chart 3.2: Sector-wise India's Approved Direct Investments in Kenya



Note: Data available for investments between July 2007 – December 2016.
Source: Reserve Bank of India

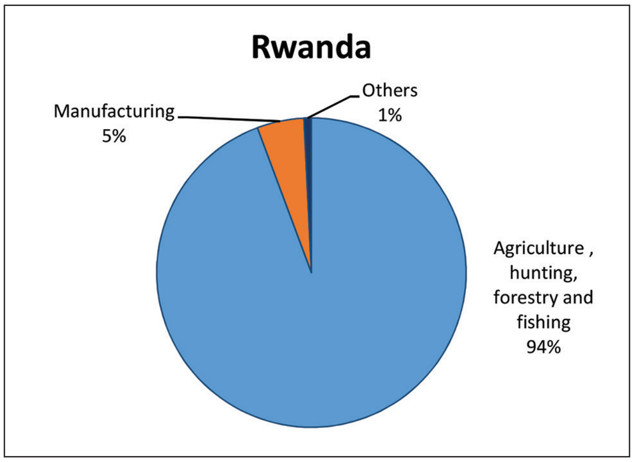
[33]Source: Country-wise branches of Indian Banks at Overseas Centres as on December 31, 2015, RBI

- Bank of India has six branches
- Bank of Baroda has a subsidiary with 86.71 per cent stake (Bank of Baroda (Kenya) Ltd.)
- HDFC Bank Ltd. has a representative office
- Central Bank of India has a representative office.

Rwanda

Cumulatively, during April 1996 to December 2016, India's approved direct investments in Rwanda amounted to US$ 25.5 million. Indian investments in Rwanda were mainly in agriculture, mining and allied activities, accounting for 94 per cent of the total investments in Rwanda **(Chart 3.3).** Major Indian companies with approved direct investments in Rwanda are presented in **Annexure 3**.

Chart 3.3: Sector-wise India's approved Direct investments in Rwanda



Note: Data available for investments between July 2007 – December 2016.
Source: Reserve Bank of India

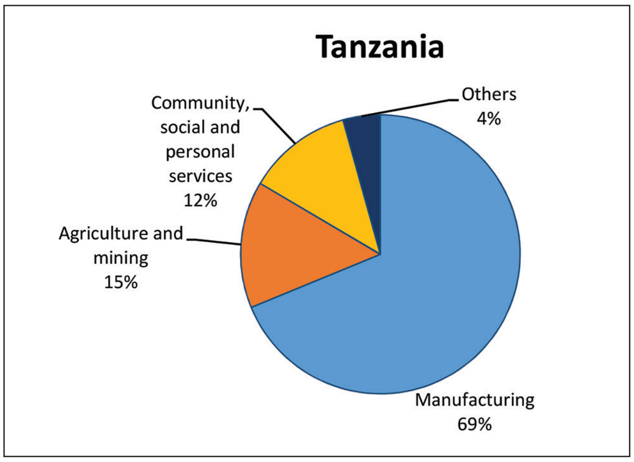
Tanzania

India's cumulative direct investments in Tanzania during April 1996 to December 2016 stood at US$ 74.8 million. Indian investments in Tanzania were mainly in the manufacturing sector, accounting for nearly 70 per cent of the total investments in Tanzania, followed by agriculture and mining and community, social and personal services **(Chart 3.4)**. India has a DTAA with Tanzania.

Major Indian companies and brands present or operating in Tanzania include Bank of Baroda, Bank of India, Tata International Limited, NMDC, insurance companies (LIC, NIC, United India, etc), Reliance Industries Ltd, Kamal Group of Industries, Bharti Airtel, Escorts, Ashok Leyland, Eicher, Bajaj, TVS, Kirloskar and Godrej **(Annexure 4)**.

Branches / subsidiaries / joint ventures / representative offices of Indian Banks in Tanzania

Chart 3.4: Sector-wise India's approved Direct investments in Tanzania



Note: Data available for investments between July 2007 – December 2016.
Source: Reserve Bank of India

With a view to enhance commercial relations, some Indian banks have set up operations in Tanzania[34]; these include:

- Bank of Baroda has a subsidiary with 100 per cent stake (Bank of Baroda (Tanzania))
- Bank of India has a subsidiary with 100 per cent stake (Bank of India (Tanzania) Ltd.)

Uganda

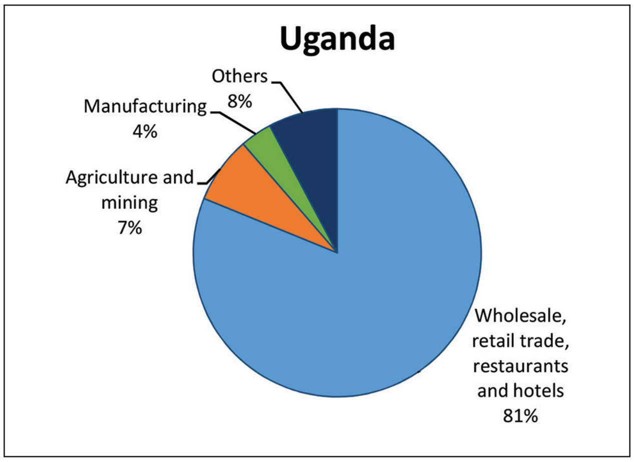
Cumulatively, during April 1996 to December 2016, India's approved direct investments in Uganda in joint ventures (JVs) and wholly owned subsidiaries (WOS) amounted to US$ 32.6 million. Indian investments in Uganda were mainly in wholesale, retail trade, restaurants and hotels (81 per cent) **(Chart 3.5)**.

[34]ibid.

Indian companies are leaders in several sectors like manufacturing (NC Beverages), trade (Anisuma), agro-processing (Nile Agro), education (Technobrain, APTECH), auto (TATA), banking and financial services (Bank of Baroda and Bank of India), sugar (Mayuge), real estate (Tirupati), hospitality & tourism (Satguru) and IT (Technology Associates). In addition to these, Ruparelia Group, MARA Group, Madhvani Group, Mehta Group, Kiboko, Mukwano Group and Roofings are some of the major PIO-owned diversified businesses **(Annexure 5)**.

Branches / subsidiaries / joint ventures / representative offices of Indian Banks in Uganda

Chart 3.5: Sector-wise India's approved Direct investments in Uganda



Note: Data available for investments between July 2007 – December 2016.
Source: Reserve Bank of India

With a view to enhance commercial relations, some Indian banks have set up operations in Uganda[35]. Indian Banks in Uganda include:

- Bank of Baroda has a subsidiary with 51 per cent stake (Bank of Baroda (Uganda) Ltd.)
- Bank of India has a subsidiary (Bank of India (Uganda) Ltd.)

FDI Inflows to India from Select East African Countries

As far as cumulative inflow of foreign direct investments into India is concerned, during April 2000 to December 2016, Kenya was the largest investor among the six East African countries, with investments to the tune of US$ 22.1 million. Uganda is the second largest FDI source of India among these East African countries, followed by Tanzania **(Table 3.2)**.

Table 3.2: FDI Equity Inflows to India from Select East African Countries (US$ mn)

Country	FDI Inflow during April 2000 to December 2016	
	(US$ mn)	Share in India's FDI inflow (%)
Kenya	22.1	*0.01*
Uganda	7.1	-
Tanzania	3.4	-
Total	**32.6**	***0.01***

Note: '-' not available/ negligible
Source: Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India; and Exim Bank Analysis

[35]ibid.

4. Prospects and Opportunities for Investments in Select East African Countries

East African economies offer wide range of investment opportunities in various sectors, including agriculture, horticulture, mining, manufacturing, tourism and energy, among others. Foreign investors' interest in this region is expected to gain fresh impetus, helped by rising confidence in the region's economy.

In line with the priority sectors of each of the East African countries in this study, as also resources available in these countries, potential sector for Indian investments have been identified.

A. BURUNDI[36]

Burundi continues to rebuild its economy after a civil war that lasted nearly twelve years. Political stability and the end of the civil war have improved economic activity and aid flows. The country has made substantial progress in the implementation of structural reforms in the management of public finance and measures to protect the Central Bank and the Treasury. These reforms should continue, especially the liberalisation of the coffee sector and the development of the energy sector. Burundi's economy is based predominantly on agriculture which contributes over a third of the country's GDP. The development of economic relations with new partners has opened up new opportunities that will help Burundi to diversify its markets and sources of aid. To promote foreign investment in the country, Burundi government has set up Burundi Investment Promotion Agency. At the same time key sectors have been identified by the Government for attracting foreign investment in the country. Highlight of some of these sectors are given below:

1. Energy

There is huge potential for developing power sector in Burundi. Burundi is highly dependent on imports (particularly hydropower Rusizi I, 13.3 MW, and Rusizi II, 1.71 MW, shared with Rwanda and the DR Congo on the Rusizi River), which supply over 40 per cent of the national consumption. In 2010, electricity consumption increased by 20 per cent, mostly covered by imports. The electrification of the country is also very low (around 4 per cent of households, with nearly 40 per cent in urban areas and 1 per cent in rural areas). Further, over 90 per cent of the electricity is consumed in the capital city of Bujumbura. Rural electrification remains a challenge. In terms of energy generation, 90 per cent of Burundi's energy sources comes from wood, charcoal and peat.

The hydropower potential is estimated at 1,700 MW, of which 300 MW are considered economical. To date, the domestic capacity consists of several hydroelectric plants (30.6 MW), and a thermal power plant of 5 MW. In total, the installed capacity reached 45 MW. Opportunities in the hydropower sector would include:

- Rusizi III hydropower project, with a capacity of 143 MW and Rusizi IV, 205 MW;
- Hydropower generation on the site Mumwendo (Ruvubu) of 80MW; and
- Hydropower generation on the Jiji sites Murembwe and Siguvyaye, with an expected capacity of 100 MW.

There is also good potential for wind and solar energy, as well as untapped potential of 18 MW geo-thermal electricity. Some of the potentials identified

[36]Burundi Investment Promotion Authority (API); COMESA Investment Teaser 2015-16 (Burundi Section);

would include:

- Development of solar energy plants with an untapped commercial potential of 18 MW in 6 sites;
- Wind energy production on the edge of Lake Tanganyika; and
- Potential commercial geothermal power production of 18 MW not exploited yet.

2. Extractive Industry

The Burundi government is seeking to exploit the country's extensive mineral potential. According to Deloitte, the government has acquired a 15 per cent share in Burundi Musongati Mining, majority-owned by UK-based Kermas Group, which began mining in April 2015 and has plans to produce 1 million tonnes of nickel a year. Burundi holds 6 per cent of the world's nickel reserves, with Musongati ranked as one of the 10 largest known deposits of the metal that have yet to be developed, according to the African Development Bank.

According to the World Bank, majority of mineral extraction is carried out by artisanal and small-scale mining (ASM) which is officially structured through cooperatives. Tin, tantalum, tungsten (often referred to as the '3Ts') and gold are the primary minerals mined and exported. Burundian government currently emphasized upon improvements in the gold sector for maximum gain through foreign investment.

3. Agricultural and Agro-Processing

The agricultural sector in Burundi provides several opportunities for foreign investors. The vast fertile plains of the country offer suitable opportunity for modern agriculture. The country is endowed with abundant labor force, abundant network of rivers that can be tapped for irrigation, and provides a possibility to harvest twice a year for an output of more than 10 tons per ha (rice and cereals). Opportunities include:

- Animal production lines, livestock, dairy processing, production of organic manure;
- Fish farming - Lake Tanganyika is an ecosystem that can allow for an industrial fishing. Burundi offers excellent opportunities for the development of farming cooperatives and community on the shores of Lake Tanganyika. Fish farming is accessible to new investors looking for new opportunities;
- Potential reclaimable land including swamps in certain regions;
- Building of modern processing factories to promote production agricultural sector; and
- Production of rice, cotton, tea, coffee, food crops, fruits and vegetable.

Investment Opportunities in Agro-Processing include:

- Setting up of Tomato Production Plant to produce more than 12,000 tons of concentrated tomato per year, with a project cost of US$ 2 million;
- Setting up of Modern Passion Fruit Transformation Plants;
- Setting-up a Cassava Flour Transformation Plant in the Kusomo Plains, with a project cost of US$ 700,000;
- Setting up of Modern Pineapple Transformation Plants;
- Promotion of Peri-Urban Agriculture for Exports at Commune Mutimbuzi, Bujumbura Rural Province, with a project cost of US$ 383,400; and
- Advanced Fish Production , with a project cost of US$ 7,750,000.

B. ETHIOPIA[37]

The Government of Ethiopia has established dedicated institution Ethiopia Investment Commission (EIC) to spearhead promotion of foreign investments in Ethiopia. Accordingly, several strategic sectors have been identified including leather, textiles, horticulture, industrial parks, as well as manufacturing agriculture,

[37]Ethiopian Investment Commission

construction and tourism. Opportunities in some of the sectors are highlighted below:

1. Leather Shoes and Leather Products

According to the EIC, among Ethiopia's abundant resources is a large cattle population whose skins and hides are the basis for some of the world's best leather. Since 1992, over 40 international investors have established leather and leather product companies in Ethiopia supplying to some of the most important international brands such as Guess and Calvin Klein. Average Ethiopian salaries in leather factories are only US$ 35 per month, which is about ten times as low as those of Chinese workers. Exports of leather, which were practically non-existent in 2003, touched US$ 23 million in 2012.

Investment Opportunities exist in:

- Tanning of hides and skins up to finished level;
- Manufacturing of luggage (such as handbags), saddle and harness items, footwear, and garments; and
- Integrated tanning and manufacturing activities.

2. Textile and Garments

Ethiopia has the advantage of abundant available workforce at very competitive costs. According to EIC, wages in Ethiopia are a fifth of China's and half of Vietnam's. The geographical location of Ethiopia and its membership in regional cooperation provides the country with easy access to international value chains, supported by its proximity to international market due to strategic location in the Horn of Africa. The sector has a potential to develop a competitive cotton or textiles industry due to good climatic and soil conditions together with cheap hydro-energy (textile factories pay between US$0.78 and US$0.002 per KW). Ethiopia has duty-free access to the European Union (EU) and U.S. markets through the African Growth and Opportunity Act (AGOA). Further, the Ethiopian garment and apparel industry has strong export performance, which grew at an average of 51 per cent over the last 6 years, with the UK accounting for 10 per cent of Ethiopia's textile and garment exports; rest of the Europe accounted for 50 per cent of its exports while the remaining 40 per cent are being exported to the US. Over 65 textile investment projects from international investors have been licensed in Ethiopia since 1992, with large retailers such as H&M and Primark already sourcing clothing from Ethiopia.

Investment Opportunities exist in:

- Spinning, weaving and finishing of textile fabrics; and
- Production of garments; manufacturing of knitted and crocheted fabrics, carpets, and sportswear, among others.

3. Horticulture

Ethiopia has an ideal geographical and climatic condition for growing a wide array of fruits, vegetables, flowers and spices given the existence of diverse agro-climatic zones, long growing seasons, and availability of water for irrigation, including 122 billion cubic meters of surface water and 2.6 billion cubic meters of ground water. Although only a decade old, horticulture is the fifth foreign exchange earner for Ethiopia, generating US$ 245 million in 2013/2014 compared to US$ 28.5 million in 2004/2005.

The Government of Ethiopia offered investment opportunities in key sectors, which include:

Fruits and Vegetables

- Mango, banana, papaya, avocado, citrus, grape, and pineapple are the most common tropical and sub-tropical fruits cultivated.
- The vegetables grown in Ethiopia include, among others, green beans, snow peas, broccoli, okra, asparagus, cherry tomatoes, green chili, potatoes, cabbages cauliflower, eggplant and cucumber, pepper, onion, and asparagus.
- Much of the land available for growing fruits and vegetables is suitable for organic certification.

Flowers

- Ethiopia is the 4th largest non-EU exporter to the EU cut-flower market and the 2nd largest flower exporter from Africa (after Kenya), exporting to the Netherlands, France, Germany, Italy, Canada, Norway, Sweden, UK, the Middle East, and other EU countries.

- Floriculture has generated a revenue of US$ 212.56 million, or 80 per cent of the total foreign exchange earning of the sector.
- Roses are the most widely produced variety of flowers. Other types of flowers currently in production include gypsophilia, hypericum, limonium, chrysanthemum, carnations, static and pot plants.

Herbs and Spices

- The major spices cultivated in Ethiopia are ginger, hot pepper, fenugreek, turmeric, coriander, cumin, cardamom, and black pepper.
- Close to 122,700 hectares are being used for spice farming, with spice production reaching 244,000 tonnes per year.
- Potential areas for the cultivation of spices are Amhara and Oromiya regions; Southern Nations, Nationalities, and Peoples' Region; and Gambella regions.
- The total potential for low land spice farming is estimated to be 200,000 hectares.

4. Industrial Parks

The Government of Ethiopia is setting up world-class sustainable eco-parks, dedicated for specific sectors such as textile & apparel, leather & leather products, pharmaceuticals, agro-processing etc. and aimed at coordinated production along value chains. Strong government support & investment policy led by Ethiopian Investment Board (EIB) chaired by the Prime Minister. The parks would be located along key economic corridors & connected to ports, and surrounded by Infrastructures such as airports, railway lines, dry ports, universities etc.

Select upcoming Industrial Parks would include:

Dire Dawa Industrial Park

- **Location:** Located in the eastern Ethiopia approximately 262 km from Djibouti
- **Proximity to port of Djibouti:** 380 km
- **Labor:** 1 million people in and around the city
- **Cluster:** Multiple sectors including heavy industries, Textile & Apparel, vehicles assembly and Food Processing, electronic, paper & allied products, chemicals
- **Land area:** 3000 ha
- **Shed & land lease status:** Total sheds - 15
  - o 5 sheds of 11,000 m^2
  - o 6 sheds of 5500 m^2
  - o 4 sheds of 3000 m^2
- **1st phase:** 150 ha

Adama Industrial Park

- **Proximity to port of Djibouti:** 678 km
- **Labor:** 1 million
- **Cluster:** Textile & Apparel, vehicles assembly and Food Processing
- **Land area:** 2000 ha
- **1st phase:** 120 ha

Mekelle Industrial Park

- **Proximity to Port of Djibouti:** 750 km
- **Labor:** 1 million people in and around city
- **Cluster:** Textile & Apparel and Food Processing
- **Land area:** 1000 ha
- **1st phase:** 75 ha

Kombolcha Industrial Park

- **Proximity to port of Djibouti:** 480 km, 6 km away from Kombolcha dry port
- **Labor:** 1 million people in & around city
- **Cluster:** Textile and Apparel and Food Processing
- **Land area:** 700 ha
- **1st phase:** 75 ha

Kilinto Industrial Park

- **Proximity to port of Djibouti:** 863 km
- **Proximity to Addis Ababa:** 6km (access to high skill labour)
- **Cluster:** Pharmaceuticals

- **Land Area:** 337 ha
- **1st phase:** 337 ha

Arerti Industrial Park

- **Proximity to Port:** 50 km away from Mojo dry port
- **Proximity to Railways:** 50km away from Mojo Station of Addis Ababa to Djibouti Railway
- **Proximity to Addis Ababa:** 105 km
- **Cluster:** Construction Materials & House hold appliance manufacturing
- **Land Area:** 100 ha

Bole Lemi II Industrial Park

- **Proximity to port of Djibouti:** 863 km
- **Cluster:** Textile & Apparel
- **Land Area:** 186 ha

5. Manufacturing

Ethiopia provides ample opportunities in the manufacturing sector as well - including but not limited to priority areas designated by the government, which include the following: textiles and garments/apparel, leather and leather products, chemical products, pharmaceuticals, engineering and metal fabricated products, and agro-processing.

Among others, the manufacturing sector's competitive edge is driven by the availability of abundant workforce, quality productivity, the country's geographic location, the opportunities availed in creating backward linkages, the country's preferential access to key global markets including the US, EU, Japan and other developing countries, and the government's strong investment commitment and sense of direction. The sector's standing is furthermore augmented by the large-scale development of industrial parks in many parts of the country.

C. KENYA[38]

Kenya is a signatory to a large and growing number of tax treaties and investment promotion and protection Agreements such as the Multilateral Trade System (MTS) ACP Cotonou Agreement, and the Africa Growth and Opportunities Act. This allows exports from Kenya to enjoy preferential access to world markets under a number of special access and duty reduction programmes. Kenya is making efforts to lower the cost of doing business by conducting extensive business regulatory reforms intended to substantially reduce the number of licensing requirements and to make the licensing regimes more simple and transparent and focused on legitimate regulatory purposes. Further, to promote foreign investment in the country the government has set up Kenya Investment Authority, and had identified thrust sectors for investments.

1. Infrastructure

Kenya envisages a massive upgrading and extension of the country's infrastructure. In this regard, the country has highlighted a number of infrastructure projects that present significant opportunities for investors in the coming years.

Some of the opportunities for investment in infrastructure would include:

- Redevelopment of the Northern Corridor;
- Development of a commuter railways system around Nairobi;
- Building of a standard gauge line to replace the current Kenya-Uganda railway;
- Design and Construction of a new terminal at Jomo Kenyatta International Airport; and
- Development of a new corridor from Lamu to South Sudan and Ethiopia (LAPSET).

[38] Kenya Investment Authority, http://www.investmentkenya.com/

Investments into these projects can either be through direct investments or through public private partnerships.

2. Energy

In Kenya, energy is identified as one of the infrastructural enablers of the three pillars of Vision 2030, with an expected surge in energy use within the commercial sector on the road to 2030. As a result, the government has identified the need for generation of additional energy and efficiency in energy consumption as priorities in Vision 2030. In order to promote renewable energy projects like wind and solar energy development programme on a commercial scale, the Government of Kenya (GoK) has also introduced Feed-In Tariff (FIT) policy to attract private investments.

The policy provides a fixed tariff for electricity generated in grid connected mode. The main sources of energy are wood fuel, petroleum and electricity accounting for 69 per cent, 22 per cent, and 9 per cent of total energy use1 respectively. More precisely, 67.5 per cent of electricity is generated using renewable energy sources which are predominantly Hydro with 47.8 per cent and Geothermal with 12.4 per cent respectively, while 32.5 per cent is from fossil fuels. The total electricity, which is generated is shared by less than 20 per cent of population of the country, and more than 80 per cent of the population remains without access to the electricity.

Recent Developments in Kenya Energy Sector

Discovery of Oil in Turkana County

In 2012, the Government announced the discovery of oil in Turkana County. This followed extensive exploratory efforts in areas such as Lamu and Isiolo. Efforts to establish the commercial viability of the oil find are underway, with an expected timeline exceeding three years before the country can become an oil producer. The discovery has been described as a major breakthrough that will contribute significantly to the meeting the country's energy requirements

Confirmation of Coal Deposits

The confirmation of commercially viable deposits of coal in the Mui Basin, in Mwingi East, Mwingi Central and Mutitu Districts means that Kenya is set to join the coal mining nations of the world. This discovery of coal is expected to go a long way in filling the energy deficit in the country

Geothermal Power Development

Kenya is endowed with vast geothermal potential and is recognized as one of the leading generators of geothermal power in Africa; it is estimated that the country has 7,000 MW – 10,000 MW of geothermal potential and it is currently Africa's largest geothermal producer with 210 MW of capacity. The discovery of commercially exploitable geothermal steam in Menengai contributed to the country's energy portfolio that will drive the Kenya toward the achievement of Vision 2030. The Kenyan Government has recently initiated the Scaling-up Renewable Energy Program (SREP) investment plan in line with national renewable energy development strategy

Investment opportunities

- Generation of energy using renewable sources such as wind, geothermal and solar sources - Feed in Tariff (FIT) is a policy strategy which aims to increase investment in renewable energy technologies. The country plans to increase electricity installed capacity by 5,538 MW by 2017;
- Development of diesel plants and hydropower;
- Drilling and Steam Field Development of Wells for geothermal;
- Construction of Pipeline and Storage Facilities for petroleum products; and
- Exploration of petroleum deposits in other potential regions of the country.

3. Manufacturing

Manufacturing sector in Kenya is mainly agro based at the moment and plays an important role in adding value to agricultural output by providing forward and backward linkages with agricultural sector. However, there is a shift to export oriented manufacturing as the main thrust of Kenya's industrial policy since the country aims to raise the share of products in the regional market from 7 per cent to 15 per cent and develop niche products for existing and new markets.

Kenya is promoting development of Special Economic Zones (SEZs), Industrial Parks, Industrial Clusters, promotion of small and medium scale manufacturing firms, development of niche products, commercialization of research and development results.

Investment opportunities exist for direct and joint-venture investments in iron and steel industries, manufacture of fertilizer, agro-processing, machine tools and machinery, motor vehicle assembly and manufacture of spare parts agro-processing, manufacture of garments, assembly of automotive components and electronics, manufacture of plastics, paper, chemicals, pharmaceuticals, metal and engineering products for both domestic and export markets.

4. Tourism

Tourism is one of Kenya's leading foreign exchange earner and third largest contributor to the GDP after agriculture and manufacturing. Growth of the sector has been supported by various factors such as liberalization, and continued Government support and commitment to providing an enabling environment, coupled with successful tourism promotion and political stability.

Investment Opportunities

Investors can take advantage of Kenya's endowment of unique combination of tourist attractions such as beautiful coastal beaches, coral reefs, caves and river deltas, abundant wildlife including the 'big five' in their natural habitats, national parks and game reserves, good climate, beautiful geographical landscapes, savannah grasslands, forests, salt and fresh water lakes. Others include hot springs, mountains, botany and zoology, world heritage sites, and rich cultural history.

Out of the 26 Parks and Game Reserves in Kenya, only 7 parks including Masaai Mara, Nakuru and Amboseli are fully operational accounting for more than 80 per cent of the total number of visitors. This presents an opportunity to develop and add value to the other parks with modern facilities and infrastructure.

Investors can also take advantage of several strategies and programmes that have been earmarked by the government to attract investments into the industry such as establishment of three resort cities, branding of premium parks, development of high value niche products, development of a replica of Kenya Utalii college at the Coast, and building of new high- end international hotels chains among others.

5. Money, Banking and Finance

Kenya Envisions to have a vibrant and globally competitive financial industry that will not only create jobs but also to promote high levels of saving to finance overall investment needs. Kenyan financial sector comprises Banking, Insurance, Capital markets, Pension Schemes and Quasi-banking institutions such as: Savings and Credit Cooperative Societies (SACCOs); Microfinance Institutions (MFIs); Building Societies, Kenya Post Office Savings Bank (KPOSB); Development Finance Institutions; (DFIs) and informal financial services such as Rotating Savings and Credit Associations (ROSCAs). Financial intermediation in Kenya has continued to recorded high growth rates due to increased lending as reflected by the rise in domestic credit backed by significant financial innovation.

Investment Opportunities

Banking sector, which has over 40 banks, has been dominated by five large banks which account for the bulky of deposits. The remaining banks are small and have limited outreach. This has reduced competition and resulted in high cost of credit. Further given the low penetration of the formal financial services, investing in Microfinance institutions, banks and SACCO's would have a considerable potential to address the large remaining demand for financial services by the large section of population that is unbanked.

Kenya is under-insured with penetration level of about 1 per cent of GDP, indicating the potential for investment in insurance business in Kenya.

D. RWANDA[39]

Rwanda has for the last decade transformed its economy and investment climate making it one of the most competitive economies on the African continent and on the globe. The Government of Rwanda has established Rwanda Development Board as the key Investment Promotion Agency of the country, and had identified key sectors for promoting foreign investment.

1. Agriculture

Agriculture in Rwanda accounts for a third of Rwanda's GDP; constitutes the main economic activity for the rural households (especially women) and remains their main source of income. Today, the agricultural population is estimated to be a little less than 80 per cent of the total population. The sector meets 90 per cent of the national food needs and generates more than 50 per cent of the country's export revenues. In the short and medium term, Rwanda intends to continue focusing its efforts on the traditional cash crops of Tea and Coffee and pyrethrum, as well as on the nascent, non-traditional horticultural crops & plants, including various Fruits & Vegetables; Flowers (mainly fresh roses); Essential Oils (Pyrethrum; Patchouli; etc.), Stevia, dairy, meat, poultry, and fish.

Investment Opportunities include

- High value horticulture processing;
- Kigali Whole Sale Market(KWSM);
- Investment Opportunities in Essential oils, Potato processing, Avocado export, Beans processing, Fertilizer distribution, Coffee, Tea, High value Hosticulture processing;
- Soya bean production;
- Maize production and processing;
- Meat processing;
- Wheat production and processing;
- Rice production and processing;
- Seed production;
- Irrigation and Mechanization projects;
- Coffee: production, washing, roasting and packaging;
- Green fields for tea production and processing focusing on speciality tea;
- Sugar cane production and processing;
- Fishery, aquaculture and animal feed production;
- Floriculture;
- Dairy processing;
- Silk development;
- Stevia production and processing; and
- Honey production and processing.

2. Infrastructure

Understanding the importance of infrastructure in the development of a competitive private sector, the government invest heavily in infrastructure, with almost a tenth of Rwanda's annual budget is committed to transport and other infrastructure. To develop a vibrant private sector, Rwanda is investing in Roads, Rail and water transport infrastructure with the intent of reducing the cost of transport to businesses and individuals. In addition, the transformation of Rwanda's economy works hand in hand with a greater urbanization of the country. The current percentage of population living in urban settlements is of 15 per cent and this number is expected to increase to 35 per cent by 2017.

[39]Rwanda Development Board

Opportunities for Investment would include:

Roads: The major road infrastructures open for investments are both located in the rural and urban areas.

- **Kibungo-Ngoma-Nyanza (130Kms):** This road aims to connect the South East to South West part of Rwanda.
- **Nyagatare-Byumba-Base (130Kms)** located in the North West and North East of the country.
- **Kigali Ring Road (80Kms):** This project could be developed through a Public Private Partnership.
- **New Bugesera Airport Expressway:** The road will connect the new airport to Kigali City (40Kms).

Feeder Roads are rural roads that connect farmers to local markets.

Urban roads shall be developed in Kigali and in every secondary city.

Air transport

- The project is to develop a new modern international airport at Bugesera. This airport will provide both extra capacity for passenger transport and also will develop the cargo freight. The New Bugesera International Airport target is to become an international hub in East Africa and beyond.
- This project will also increase significantly the land value in the airport area and attract more private investment and urban development.

Railway

Rwanda wants to develop two major regional lines.

- The Dar-es-Salaam- Isaka Kigali railway project-estimated to br US$ 5 billion. The project is composed of the line rehabilitation in Tanzania and of the construction of the new Isaka-Kigali line of 494 kms in length (355km in Tanzania, 139km in Rwanda).
- The Mombasa–Nairobi-Kampala-Kigali is the other railway route to unlock Rwanda and provide direct connection to the Indian Ocean. The project cost is estimated at US$ 13 billion.

Inland Water Transport

In order to develop the inland water transport for the transportation of goods and passengers on the Kivu Lake. The waterway will connect the cities of Rubavu, Karongi and Rusizi with the construction of new terminals and equipment of new ships.

Public transportation

In Kigali the public transportation system would be organized around a new Bus Rapid Transit System (BRT) composed of 43Kms of dedicated bus lanes. In addition, the Government of Rwanda is in the process of restructuring its public transport operator ONATRACOM to make it a private company

3. Energy

Rwanda energy is primarily dominated by biomass, which accounts for 85 per cent. The total installed generation capacity of 186 MW, with connectivity rate of 24.5 per cent (23 per cent on-grid and 1.5 per cent off-grid). The energy targets, strategies and investment opportunities in energy sector are given below:

Power Generation Targets

- Biomass (wood energy) to drop from 86.3 per cent to 50 per cent by 2020;
- Generation capacity to reach 563 MW by 2017/18;
- Access to electricity to expand to 70 per cent by2017/18; and
- Public institutions to be connected 100 per cent by 2017/18.

Strategies

- Diversification of Energy sources;
- Focus on domestic sources of energy and phasing out heavy/fossil-fuel generation;
- Involvement of the private sector in power generation through Independent Power Producers (IPP's) and Private Public Partnerships (PPP's) structures; and
- Provision of Power Purchase Agreement, underpinned with a minimum 25 years concession Agreement.

Investment Opportunities

- Methane gas to power;
- Geothermal;
- Peat to power;
- Micro Hydropower; and
- Off-grid, and mini grid solutions.

Regulatory framework

- Ministry of Infrastructure (for policy and strategy formulation, and granting both concessions and MoUs);
- Rwanda Energy Group (implementing Company, providing both technical assessment, and Power Purchase Agreements);
- Rwanda Development Board (Investment process, guidance, facilitation, leading negotiations for strategic projects, issuing EIA, and providing incentives); and
- Rwanda Utility Regulatory Authority (setting tariffs, regulate the sector, and provision of licenses in the sector).

Estimated Power Generation Costs

- The installation cost for 1MW from Methane is estimated to US$ 3,700,000;
- The installation cost for 1MW from Geothermal is estimated to US$ 3,500,000;
- The installation cost for 1MW from Peat is estimated to US$ 3,200,000;
- The installation cost for 1MW from Hydropower is estimated to US$ 4,000,000; and
- The installation cost for 1MW from solar is estimated to US$ 2,800,000.

Key Private Players (IPP's)

- **KivuWatt** developing 100MW from methane by Contour Global (US);
- **Hakan** developing 120MW from peat (Turkish);
- **Symbion Power** to develop 50MW from Methane (US);
- **Goldsol II** developing 10MW from Solar (Portugal, South Africa and Rwanda);
- **Ngali Energy** developing Micro hydropower project for 45MW (Rwanda) ; and
- **Gigawatt Global** operating 8.5 MW from solar (Israel).

5. Manufacturing

The manufacturing sector in Rwanda is still small but steadily growing at an annual rate of 7 per cent. Several policies and strategies such as the National Industrial Policy and the National Export Strategy have been developed to accelerate industrial and export growth. The National Industrial Policy aims at diversifying the economy by increasing the share of industry to the country's GDP, increase exports to US$1.5 billion by 2020 and increase the number of off-farm jobs.

To increase local domestic and foreign supply of manufactured goods, the Government has put in place the Special Economic Zone and four Industrial parks in Bugesera, Huye, Nyabihu, Rusizi to address the short comings in the business environment by developing infrastructure, streamlining business regulations and facilitating fast moving investors. In addition to this, every District has an area earmarked as an industrial park.

Investment Opportunities are available in the following sub-sectors:

Construction materials: Rwanda's building and construction industry has rapidly grown in the past couple of years with both Government and private sector engaged in the construction of buildings and roads infrastructure triggering what is now named as a "construction boom in Rwanda". This has resulted into high demand for construction materials mainly: cement, electric cables, steel materials, Clay products (tiles, bricks, and paving blocks), float glass, wood products and paints.

Textiles and garments: The textile and apparel industry in Rwanda is small with only one major textile manufacturing company (UTEXRWA), a number of sizable small to medium scale operators, knitting cooperatives and a silk sector, which is at its infancy stage. Given the unique characteristics of the Rwandan market, the following local production options seem most promising:

- New garments manufacturing: set up fiscal measures to progressively phase out imports of second-hand clothes;
- Mosquito bed nets for malaria prevention: Rwanda promotes universal coverage of free LLINs as part of an integrated strategy of combating the malaria disease;
- Fabric production for use in uniforms and work wear; and
- Woven fabric for bed sheets and towels.

Pharmaceutical products: The increasing access to healthcare in Rwanda resulting from universal health insurance schemes coupled with improved distribution chain and other healthcare policies has resulted into high demand for pharmaceutical products. Most of pharmaceutical products are imported, Labophar is the only Rwandan manufacturer of pharmaceuticals. It is a small, public facility manufacturing on a very small infusions.

Packaging materials: Most of the packaging materials needed in Rwanda are imported. Corrugated paper and carton board boxes, unprinted paper labels, small paper bags and sacks, and paper containers would appear to be the most promising market segments in the domestic market.

Soaps and detergents: The estimated size of the market demand for soaps and cleaning products is about US$ 50 mn with estimated domestic production of US$ 15-20 mn, representing about 40 per cent of the total market size.

Motorcycles assembling: The regional and local market for Motorcycles is growing. Motorbikes transport is one of the common modes of transport in Rwanda and in the region.

Leather processing: Government is committed to develop the leather sector: developing a tannery park with central waste water treatment plant, setting up Community Processing Centre in each District aiming at training artisans on leather product s manufacturing, one cow per household program etc. There is opportunity for:

- Wet blue and Finished leather production;
- Shoes manufacturing; and
- Other leather products manufacturing: bags, belts.

5. Real Estate and Construction

Rwanda's ongoing economic recovery is construction-led and is set to continue. The government has attached a very high importance to promoting construction projects and has increased government investment in infrastructure expansion and modernization. Construction spending in 2015 was US$ 546 mn and is growing at 10 per cent (2014/2015), and Real Estate spending in 2015 stood at US$ 471 mn and is growing at 7 per cent (2014/2015). Among the notable opportunities in the Urbanization and Housing is the implementation of the Cities Master plans. Strategically, the Government of Rwanda pointed out six secondary cities (poles of growth): Rubavu, Musanze, Nyagatare, Muhanga, Huye and Rusizi.

Major Opportunities for investment in construction and real estate

- Residential houses for low- and middle- income classes;
- Sports Center;
- Office buildings;
- Real Estate agency operations;
- Factory construction;
- Manufacturing of construction finishing materials;
- High-end market housing developments;
- Commercial centers;

- Shopping malls;
- Entertainment centers; and
- Training and certification of key services - architecture, engineering, plumbing.

E. Tanzania[40]

1. Chemical and Bio-chemicals

Tanzania is privileged with rich biodiversity and a number of indigenous natural resources which can be exploited and then transformed into high value performance products. The series of findings of natural gas and its commercialization has made Tanzania possible to develop a large chemical industry.

- Tanzania has investment opportunities in the Ammonia Urea fertilizer plant in Mtwara and its bi-products such as ammonia nitrate that would enable to develop wide range of chemical industries.
- Potential sector for investments in Tanzania include Agrochemicals.

2. Transportation

The Government has set various specific goals towards achieving the Vision 2025 and the Five Year Development Plan. Such goals include:

- Maintaining and upgrading existing railway lines in order to increase the current tonnage of cargo that is transported within and through Tanzania to neighbouring countries. The specific goal is to strive to reach the 2.3 million tons by 2018 and then increasing that tonnage to 4 million per annum by 2023.
- Expanding cargo volume handling capacity at sea ports and lake ports from the present 10 million tons handled annually to 20 million by 2020.
- Development of effective modal interfaces on the sea and inland water ports, and inland cargo and passenger terminals to promote inter-modal transport thereby reducing tariff and travel and delivery times for upcountry and transit traffic.
- Expanding Tanzania's air cargo and passenger freight handling capacities and specifically developing Julius Nyerere International Airport into a hub by 2020.
- Developing and strengthening institutions to implement strategic PPPs in transport infrastructure.

Investment Opportunities Available in Railways

- o The railways system has a total track length of 3,676 km, which are operated by two railway systems: the Tanzania Railway Limited (TRL)-2,706km and Tanzania-Zambia Railway Authority (TAZARA)-970 km. The two systems interface at Kidatu and at Dar-es-Salaam port. Together, the railways serve 14 of the 21 regions of Mainland Tanzania. They also serve neighbouring countries of Zambia, DRC, Burundi, Rwanda, Uganda and Malawi.
- o The system is requires investment, particularly the TRL network, to upgrade the network and improve operations in order to meet demand and to compete against road transportation. Tanzania Railways Limited carried a total of 237,000 tons of cargo in 2009 and a total of 285,000 passengers were transported in 2009.

- Develop inland container depots and inter-modal container operations;
- Specialized railway maintenance and construction;
- Expand railway network through various schemes including Build Operate and Transfer (BOT), Build Own Operate Transfer (BOOT) etc.;
- Possible areas for expansion are IsakaKigali, Arusha – Musoma, Uvinza – Kasulu – Magamo (Burundi), and Mbamba Bay – Mtwara;
- Own Locomotives and rolling stock for on account usage;
- Develop Inland Container Depots (ICD) and International Container Operations (ICO) at Mwanza,

[40] Tanzania Investment Centre, http://www.tic.co.tz/

Kigoma, Tabora, Morogoro, Arusha, Tanga, Shiyanga, Dodoma and Mpanda; and

- The major area for investment includes, the construction of a railway line to link TAZARA railway and the mining sites of Mchuchuma coal and Liganga iron fields so as to export mines via Dar-es-Salaam port or Mtwara port. This project is under the Mtwara Development Corridor.

Investment Opportunities Available in Maritime Transport

- o Both sea and inland waterways ports in Tanzania are managed and operated by the Tanzania Ports Authority (TPA). The port of Dar-es-Salaam is one of the key entry points into the East Africa region with an annual throughput of 7 million tons handling about 93 per cent of Tanzania's port traffic.
- o Maritime transport vessel in Dar-es-Salaam is also an important outlet for neighbouring land-locked countries. In 2009, it had a rated capacity of 4.1 million (dead weight tonnage) dry cargo and 6.0 million (dead weight tonnage) bulk liquid cargo. Cargo volumes handled at the port have expanded by 15 per cent per year since 2004. Investment opportunities in this sector include:

- Supplying of provisions to ships such as fresh water, brokers and slop chest for ships;
- Providing ships docking facility – Synchno Lift/ engraved Dock. Possible areas for investing are Tanga, Dar-es-Salaam, Mtwara ports; and Mwanza on Lake Victoria, Kigoma and Kasanga ports on Lake Tanganyika and Itungi on Lake Nyasa;
- Private operator's participation in providing marine services over Lake Victoria, Tanganyika and Nyasa;
- Provide dry docking service to ports; and
- Build a car freight station and freight village which will offer an opportunity for consolidating cargo handling activities in the port, rail and road in a designated area.

Investment Opportunities Available in Air Transport

- o There are 126 airports in Tanzania including airstrips serving domestic and international traffic. 62 of the airports and airstrips are owned and managed by the government. Tanzania has 4 international airports located in Dar-es-Salaam (JNIA), Zanzibar (ZIA), Kilimanjaro (KIA), and Mwanza (MWZ).
- o The government through the Tanzania Airports Authority (TAA) and Tanzania Civil Aviation Authority (TCAA) has implemented a number of development projects which are designed to further modernize the airports, particularly: JNIA, KIA and ZIA.
- o In 2009 there were 63 aviation industry providers and about 1 million international travellers.

- Establish a new airline to compete with existing service providers
- Building of hotels at an Airport-Mwalimu Nyerere International Airport, Mwanza and Arusha;
- Building Warehousing facilities including cold storages at Mwalimu Nyerere International Airport, Mwanza and Kigoma;
- Building a shopping complex at Mwalimu Nyerere International Airport and Mwanza Airport;
- Building of hanger facilities at Mwalimu Nyerere International Airport, Mwanza and Arusha Airports;
- Extension of Terminal Building at Mwalimu Nyerere International Airport;
- Development of EPZ at Mwalimu Nyerere International Airport, KIA, Mtwara, Kigoma and Mwanza Airports;
- Construction of first and business class lounges at Mwalimu Nyerere International Airport; and
- Lease of the entire lake Manyara, Shinyanga and Moshi Airports for development of aviation related activities.

3. Manufacturing

The manufacturing sector has shown steady growth over the years, registering 4 per cent annual growth rate and a small contribution of 8 per cent to the GDP. The sector employs around 140,000 workers mainly in the urban areas, making 48 per cent of monthly paid employees. The sector contributes to the Tanzania economy through revenue collection of import and export sales, corporate tax, and income tax, contributing about 20 per cent foreign exchange to the government, third after agriculture, and tourism.

Some areas of investments

Fruit/Vegetable Processing: Tanzania is richly endowed with a large variety of fruits and vegetables. Less than 10 per cent of fruits and vegetables produced are processed. There is room for large scale production of a range of tropical as well as temperate fruits and vegetables.

The following are possible areas for investment: (1) Processing and canning factories in regions with high potential for production of fruits and vegetables (2) Open fruit and vegetables plantations for domestic and export markets. Potential areas for horticultural crops are Arusha, Kilimanjaro, Tanga, Morogoro, Dar-es-Salaam, Dodoma, Iringa, Mbeya, Mwanza and Kagera.

Cashew nut processing: Tanzania is Africa's largest cashew nut grower after Nigeria and Ivory Coast, and the world's eighth biggest producer. Tanzania exported about 158,000 tons of cashew nuts in the 2011/2012 season. However, although 90 per cent of the crop was harvested in the country, less than 10 per cent was processed locally. The country is actively seeking to export processed cashew nuts. The total installed cashew nut processing capacities for the large firms in Tanzania in 2012 was about 94,000 tons per season. The Cashew nut Board of Tanzania (CBT) and the Cashew nut Industry Development Trust Fund (CIDF) has set aside TZS 10 billion (US$ 6 million) to boost local processing capacity. Opportunities exist for private investors to enter partnerships and joint ventures to boost local processing of cashew nut production.

Textile and apparel: Tanzania is Africa's fourth largest producer of cotton; in 2012 it produced 354,000 tons and had 1.4 million ha. of plantings. The country ranks behind Mali, Burkina Faso and Egypt as Africa's largest grower of cotton, according to the Food and Agricultural Organization (FAO). Tanzania has more than 40 ginning companies, including S.M. Holdings Ltd., Alliance Ginneries Ltd., Birchand Oil Mill Ltd., Afrisian Ginning Ltd. and Gaki Investment Co. Tanzania's cotton-planting season begins in October and ends in January, while harvesting takes place from June to December.

Opportunities exist in establishing fully-integrated textile mills as well as plants for cotton ginning, cutting, making, and trimming.

Leather: Leather sector offers huge investment opportunities. Tanzania produces about 2.6 million pieces of raw hide and skins annually, whereas just 10 per cent are processed locally and a large portion is exported in raw form. Opportunities in this area include putting up modern tanneries and leather finishing production units.

4. Export Processing and Special Economic Zones (EPZ)

EPZ and SEZ provide for a wide range of investment operations within the zones or within the stand alone industrial park, investors in this category are provided with operators' license and start their business immediately without any need of having another license. An investor might choose to invest but not limited to the following sectors:

- Agriculture and agricultural products;
- Metal products;
- Machinery and transport equipment;
- Electronics and electrical appliances;
- Chemical;
- Paper and plastics;
- Light industries;
- Mining;
- Ceramics; and
- Gemstones.

Qualification to invest in SEZ:

Any investor can qualify to invest under Special Economic Zone Scheme provided he fulfills only these simple criteria.

- New investment
- Annual export turnover should not be less than US$ 5 million for foreign investors and US$ 1 million for local investors
- Adequate environmental protection systems
- Utilization of modern production process and new machinery
- Investments must only be located in SEZ industrial parks

Eligibility criteria for SEZ user licensing:

- New investment
- Minimum capital of US$ 500,000 and US$ 100,000 for foreign and local investors respectively
- The investment must be located in the Special Economic Zone

Eligibility criteria for SEZ Export user licensing:

- New investment
- At least 80 per cent of goods produced/processed should be exported
- Minimum annual export turnover of US$ 500,000 and US$ 100,000 for foreign and local investors respectively

The EPZ policy places emphasis on products that use local materials, such as textiles and garments, leather goods, agro-processing, and the lapidary industry. The EPZ activities are regulated by the Export Processing Zones Act no.11 of 2002. The Special Economic Zones Act 2006 outlines areas, such as industrial parks, export processing zones, free trade zones, free ports, tourist parks, science and technological parks, etc; as areas that may be regarded as special economic zones. The special economic zones also invite light industry in specific regions, such as Dar-es-Salaam, Tanga, Kigoma, and Mtwara. The Exemptions under EPZ and SEZ are available under their respective laws.

Multiple incentives for SEZ investors:

- Exemption from payment of taxes and duties for machinery, equipment, heavy duty vehicles, building and construction materials and any other goods of capital nature to be used for purposes of development of SEZ infrastructure;
- Exemption from payment of corporate tax for an initial period of ten years and thereafter a corporate tax shall be charged at the rate specified in the Income Tax Act;
- Exemption from payment of withholding tax on rent, dividends and interest for the first ten years; and
- Exemption from payment of property tax for the first ten years;

5. Mining

The Tanzania Mining industry is highly important due to that it accounts for a significant share of the country's export revenues. The Government's plan is to have this sector contribute 10 per cent of GDP by 2025. Besides a few major companies, such as African Barick Gold, AngloGold Ashanti, Williamson Diamonds Limited (WDL), etc., his sector contains several medium scale companies and a cluster of small-scale mining companies. Key mineral deposits include coal, copper, diamonds, gold, nickel, silver, uranium, and Tanzanite gemstone, which is found nowhere in the world other than Tanzania.

Tanzania has over 800,000 sq. km of various geological terrains with potential mineral resources:

- Gold in Archaean greenstone belts –south and east of Lake Victoria;
- Gold and base metals in Proterozoic rocks in southwestern, southern and eastern parts of the country;
- Kimberlite pipes in central and southern portion of the Archaean craton and in proterozoic south and east of the Craton; and
- Gemstones such as tanzanite, ruby, sapphire, spinel, tourmaline, topaz, scapolite, aquamarine, emeralds, amethyst, garnets (tsavorite, rhodolite, hessonite,

almandine, pyrope, etc.) in Proterozoic rocks east, west and south of the Archaean Craton.

This sector presents plenty of investment opportunities, such as:

- Establishment of gold refinery activities;
- Establishment of value added activities;
- Gemstone cutting & polishing (lapidary);
- Rock and mineral carvings;
- Jewelry manufacturing utilizing gold and gemstones;
- Mineral processing industry – e.g. smelters (amount of Cu –Concentrates);
- New areas in mineral exploration;
- Industrial minerals beneficiation for local consumption & export – e.g. lime production, soda ash, kaolin, gypsum, coal, iron ore, dimension stones etc.;
- Base metals including platinum group metal (PGMs);
- Service industry;
- Supply equipment & materials e.g. explosives, grinding media, mill liners etc. under JVs with Tanzanian entrepreneurs; and
- Drilling.

F. Uganda[41]

1. Agriculture/Agribusiness

Uganda is among the leading producers of coffee, bananas and oil seed crops (sesame (simsim), soybean, sunflower, etc). It is also a major producer of other crops like tea, cotton organic cotton, tobacco, cereals, fresh fruit & vegetables and nuts, essential oils, flowers, poultry, fresh water fish.

Opportunities for investment exist in:

- Commercial farming in both crops and animal industries, as well as aquaculture;
- Value addition (Agro-industries -Agro-food industries;
- Manufacturing of inputs (fertilizers, pesticides etc);
- Cold storage facilities and logistics;
- Farm Machinery manufacturing and assembly;
- Packaging; and
- Irrigation Schemes.

The country has been zoned into specific production areas and in order to ease logistics and supply of Agricultural products / source of raw materials, all these areas are well linked to a good national road grid network.

2. Tourism

The distinctive attraction of Uganda as a tourist destination arises from the variety of its game stock (including the rare tree climbing lions of Ishasha White Rhinoceros, Gorillas, elephants and its unspoiled scenic beauty including forests hills and Mountain Rivers and lakes. 51 per cent of the world's population of mountain gorillas lives in Uganda.

Uganda is home to 11 per cent of the world's bird's species (a total of 1060 bird species) which offers a wide range of bird species.

The opportunities in tourism range from constructing high quality accommodation facilities, operating tours and travel circuits (bicycle tours, air balloon travel, marine – Lake Victoria and river rafting on the River Nile) to the development of specialized eco and community tourism systems, as well as faith based tourism (pilgrimage to Namugongo – Uganda Martyrs, Mahatma Gandhi Statute and Bishop Hannington landing site on the Nile River).

3. Mining

Over 80 per cent of the country has been surveyed for mineral quantities and locations. New geo-data shows that Uganda has large under-exploited

[41]Uganda Investment Authority, http://www.ugandainvest.go.ug/

mineral deposits of gold, oil, high grade tin, tungsten/ wolfram, salt, beryllium, cobalt, kaolin, iron-ore, glass sand, vermiculite, phosphates (agricultural fertilizer), Uranium and rare earth elements.

There are also significant quantities of clay and gypsum. Gold occurs in many areas of the country, including Busia in the east, Buhweju and Kigezi in the west, Mubende – Kiboga in the central region and significant occurrences in Karamoja in the north east.

Investment opportunities exist in mining and mineral processing. Uganda provides special incentives to the mining sector with some capital expenditures being written off in full.

4. Oil and Gas

The discovery of extractable quantities of oil and gas in the Lake Albert region has enhanced the sector's role in economic developments of the country. According to the Petroleum Exploration and Production Department, 21 oil and/or gas discoveries have been made in the country to date. Petroleum laws are in place and a communication desk to disseminate information related to the oil and gas sector was created within the Ministry of Energy and Mineral Development.

Investment opportunities are available in middle and down streams in the Sector.

5. Renewable Energy

Uganda has considerable unexploited renewable energy resources for energy production and provision of energy services. The Government's overarching policy vision for renewable energy is to make modern renewable energy a substantial part of national energy consumption, where modern renewable energy is understood to mean renewable energy resources that are transformed into modern energy services like electricity.

The goal of Uganda Renewable Energy Policy is to increase the use of modern renewable from below 5 per cent in 2007 to 61 per cent of the total energy consumption by 2017.

6. ICT

Uganda's Information and Communication Technology (ICT) sector is one of the most vibrant within the region and fastest growing sector in the economy. This vibrancy hinges largely on the good legal and regulatory frameworks. The supportive investment climate therein has highlighted numerous opportunities in ICT innovation services leading to maximum utilization of the existing youthful human resource base as quite suitable for the ICT work.

The newly developed and high quality ICT infrastructure is also ready to accommodate more future investments. Uganda is now connected to three marine fibre optic cables running around African eastern coast in the Indian Ocean.

Uganda is positioning itself to be the hub for Business Processing and Management Outsourcing industry with the region on the Africa's Eastern cost.

Numerous Investment Opportunities exist in the local, Regional and International markets. The largest of the Uganda Business Process Outsourcing, Information Technology and Information Technology Enabling Services. Industry opportunities are within Agriculture, Health, Tourism, Banks insurance and public administration.

Domestic opportunities have been identified in the areas of:

- Digitalisation of services;
- Healthcare services for the ageing;
- Productivity Solutions;
- Web applications;
- Software Development;
- Ware housing; and
- Network Integrations.

7. Financial services

Opportunities for investment exist for international multinational banking groups particularly promoting new or innovative financial products (i.e. Mortgage finance, venture capital, merchant banking and leasing finance) and also micro finance institutions.

Insurance, in particular, is still a relatively young sector and offers several opportunities for investment.

8. Education

Investment opportunities exist in Uganda for setting up Public and independent private universities, branch universities and offshore campuses. Other areas of investment include technical & vocational training, distance learning and student financing. Research centers in tropical medicine and medical tourism.

9. Healthcare

The public healthcare delivery system in Uganda is organized in tiers, where the Village Health Teams/ Health Centres I, II,III and IV and the General Hospitals form the frontline and primary care, the Regional Referral Hospitals secondary care and the National Referral Hospitals and specialized institutes of cancer and heart, form tertiary care.

The national and regional referral hospitals are semi-autonomous institutions, while the district health services and general hospitals are managed by the local governments. A good percentage of health facilities are privately owned and the private sector provides a recognisable output especially in services delivered.

Uganda has a growing population and, therefore, has increased investment needs in the health sector. The Government is currently focusing in innovations and enhancing private sector participation. Investment opportunities exist in health management, human resource training e-health solutions and logistics, tertiary care services early detection, treatment, medical tourism and manufacturing of affordable equipment and other centres of excellence provide more investment opportunities.

5. Export-Import Bank of India in Africa

Export-Import Bank of India (Exim India) commenced operations in 1982. The Bank was set up under an Act of Parliament (Export-Import Bank of India Act 1981), for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade. In its endeavour to promote India's international trade, Exim India's vision has evolved from financing, facilitating and promoting trade and investment, to a conscious and systematic effort at creating export capabilities; Exim India today seeks to develop commercially viable business relationships with externally oriented companies.

Countries in the African continent have always been a focus region for Exim India, and thus a critical component of its strategy to promote and support two-way trade and investment. As a partner institution to promote economic development in Africa, the commitment towards building relationships with the African region is reflected in the various activities and programmes, which Exim India has set in place.

Exim India has representative offices in Abidjan, Cote d'Ivoire, Addis Ababa, Ethiopia and Johannesburg, South Africa, which play key roles in facilitating economic cooperation with the African Region, and are closely associated with several of the Bank's initiatives. The representative offices interface with multilateral institutions such as African Development Bank (AfDB), Afreximbank, regional financial institutions such as Eastern and Southern African Trade and Development Bank (PTA Bank), and West African Development Bank (BOAD), and developmental financial institutions such as Industrial Development Corporation of South Africa Ltd. (IDC), as well as Indian missions in the region with the aim of increasing bilateral commercial engagements between the two regions.

Lines of Credit

To enhance bilateral trade and investment relations, Exim India has in place several Lines of Credit (LOCs) extended to a number of institutions/agencies in Africa. These LOCs supplement the 'Focus Africa' programme of the Government of India (GOI) and are extended especially to priority sectors, identified by GOI for mutual cooperation and benefit. Besides these operating LOC extended at the behest of GOI, Exim India extends its own commercial LOCs to various financial institutions and other entities in Africa, such as, PTA Bank (covering 17 countries in the eastern and southern African region), BOAD (covering 8 countries in the west African region), Indo-Zambia Bank, Nigerian Exim Bank and Afreximbank. These LOCs facilitate import of project-related equipment and services from India on deferred credit terms. At the same time, many of these LOCs are earmarked for infrastructure and related projects. As on December 31, 2016, the total number of operative LOCs extended to Africa stood at 154, covering 44 African countries and amounting to US$ 7.7 billion. Of these, 149 LOCs aggregating to US$ 7.6 billion, extended to 41 countries are guaranteed by GOI. A list of LOCs extended to African countries is given at **Annexure 6** and examples in select East African countries include:

Countries:

- **Burundi –** Hydro-electric project; farm mechanization; and integrated food processing complex;
- **Ethiopia –** Energy transmission and distribution project; development of sugar industry; and railway line project;
- **Kenya –** Power transmission lines;
- **Rwanda –** Power projects; and irrigated agriculture project; and
- **Tanzania –** Export of tractors, pumps and vehicles; water supply schemes; and extension of pipeline.

Institutions:

- **Afreximbank –** General purpose; and
- **Eastern and Southern African Trade and Development Bank (PTA Bank) –** General purpose.

Project Exports

Exim India has been providing a steady stream of support to project activities in engineering, procurement, and construction (civil, mechanical, electrical or instrumental). This includes the provision of specific equipment related to supplies, construction and building materials, consultancy, technical know-how, technology transfer, design, and engineering (basic or detailed). Exim India also supports existing or new projects, plants or processes that require additional assistance in processes such as international competitive bidding: including multilaterally funded projects in India. During 2015-16, 37 contracts amounting to ₹ 66.1 billion covering 17 countries in Africa were secured by Indian exporters.

Buyer's Credit under National Export Insurance Account (NEIA)

In order to provide further impetus to project exports from India on medium- or long-term basis, especially in the infrastructure sector, in April 2011, a product called Buyer's Credit under National Export Insurance Account (BC-NEIA) was introduced. Under this programme, Exim India facilitates project exports from India by way of extending credit facility to overseas sovereign governments and government owned entities for import of goods and services from India on deferred credit terms. Indian exporters can obtain payment of eligible value from Exim India, without recourse to them, against negotiation of shipping documents. NEIA is a Trust, set up by Ministry of Commerce and administered by ECGC. As on December 31, 2016, a positive list of 82 countries have been identified by ECGC for which Indian exporters can avail Buyer's Credit under NEIA; and Exim India has sanctioned an aggregate amount of US$ 1.77 billion under BC-NEIA for 15 projects in Africa valued US$ 1.87 billion. In Ethiopia, Exim India has extended its BC-NEIA facility to power transmission and distribution network project.

Finance for Joint Ventures Overseas

Exim India supports Indian companies in their endeavour to globalise their operations, through overseas joint ventures (JVs) and wholly owned subsidiaries (WOS). Such support includes loans and guarantees, equity finance and in select cases direct participation in equity along with Indian promoters to set up such ventures overseas. In the African Region, Exim India has supported several such ventures in countries such as South Africa, **Kenya**, Mauritius, Ghana, Nigeria, Sudan, Egypt, Zambia, Morocco, **Uganda** and **Tanzania**, across a range of sectors like agriculture and food processing, agro-based products, auto and auto components, chemicals, construction, electronics, engineering goods, EPC services, mining and minerals, plastics and rubber products, packaging, pharmaceuticals, software and IT enabled services, and textiles. These ventures serve to promote value addition, as also contribute to capacity building and capacity creation in host countries. As on December 31, 2016, Exim India through its overseas investment finance programme has supported 37 Indian companies in 12 countries in Africa with an aggregate sanction amount of ₹ 47.7 billion.

Association with African Development Bank (AfDB)

India is a member of the African Development Bank (AfDB) Group. Many Indian companies participate in projects funded by the AfDB Group. Exim India works very closely with AfDB and has an active programme which offers a range of information, advisory and support services to Indian companies to enable more effective participation in projects funded by multilateral funding agencies, including AfDB. Exim India assists Indian companies in projects supported by AfDB by not only fund and non-fund based assistance, but also by providing advance alerts on upcoming opportunities. With support from Exim India, Indian project exporters have secured a number of overseas contracts in Africa in sectors such as power, telecommunications, transport, water supply and sanitation. Exim India and AfDB have also signed an agreement for co-financing projects in Africa. The agreement envisages joint financing of projects (priority being given to support projects of small and medium enterprises) in regional member countries of AfDB. Exim India also organizes Business Opportunities seminars in Projects funded by AfDB across various centres in India.

Africa – India Partnership Day

Exim India together with FICCI (Federation of Indian Chambers of Commerce and Industry) organizes the Africa – India Partnership Day, on the sidelines of AfDB's Annual Meeting, with an objective of sharing India's developmental experiences with Africa, particularly in Public-Private Partnership model of financing infrastructure development. Exim India, along with FICCI, has so far hosted three such events; first being on May 30, 2013 in Morocco; followed by Rwanda on May 22, 2014; Côte d'Ivoire on May 27, 2015; and Zambia on May 24, 2016. The Africa-India Partnership Day has become a regular feature of the AfDB Annual Meeting, and showcases the immense scope for expanding the mutually enriching partnership between India and Africa.

Project Development Company (PDC) in Africa

Africa is a region of opportunities, as the continent is receiving plenty of investments in the infrastructure space. The PPP structure is slowly getting popularised by the national governments, increasing the interest of the private sector in infrastructure development. However, institutional capacity in several African nations is in a nascent stage.

Addressing the limited institutional capacity in Africa on conceptualisation, management, execution and imparting project development initiatives, Indian institutions such as Exim India, IL&FS, and State Bank of India have joined hands with the AfDB, and promoted a Project Development Company (PDC) for infrastructure development in Africa.

The PDC, named Kukuza Project Development Company, has been incorporated in Mauritius in July 2015. 'Kukuza' in Swahili means 'a cause to growth'. Reflecting the name, the PDC is expected to provide specialist project development expertise to take the infrastructure project from concept to commissioning in the African Continent. The PDC will provide the entire gamut of project development expertise to various infrastructure projects, such as project identification, pre-feasibility/ feasibility studies, preparation of detailed project reports, environmental and social impact assessment, etc.

On the sidelines of the India-Africa Forum Summit (IAFS), which was held during October 26-29, 2015, in New Delhi, Exim India held the inaugural meeting of the Kukuza Project Development Company (KPDC).

The PDC shall utilise the domain expertise of each partner during the project development process to establish a bankable and sustainable implementation format based on an in-depth understanding of the concerns of all the stake holders - public authority, users community, developers/ investors and lenders.

Exim India's Country Mission

With a view to enhancing India's bilateral trade and investment relations and in order to support Indian entrepreneurs in their globalisation endeavours, Exim India has commissioned a country mission to select countries in Africa. The Mission endeavours to provide a framework for enhancing India's engagement in select countries in Africa by way of identifying key areas for commercial engagement while also assisting these countries in achieving their developmental objectives. This initiative is backed by Exim India's longstanding strategic and commercial relations with various institutions, bodies and organisations in Africa through its various capacity building programmes in various sectors in these countries.

The Mission to Africa covered countries including Mozambique, Rwanda and Tanzania in November 2014. The Mission team closely coordinated with Indian Missions, and held various rounds of interactions with Government officials of partner countries, multilateral institutions, business community, exporters, banks, Indian business diaspora, and other stakeholders, with a view to identifying business, trade and investment opportunities for Indian entrepreneurs.

Exim India's engagements in ITC's SITA

On March 09, 2014, Department for International Development (DFID) mandated the International Trade Centre (ITC), United Kingdom, to design and implement a project, called 'Supporting India's Trade Preferences for Africa' now called 'Supporting Indian Trade and Investment for Africa' (SITA). SITA is a six-year (2014-2020) project that aims at promoting exports from five East African countries – Ethiopia, Kenya, Rwanda, the United Republic of Tanzania and Uganda – to India through investment and skills transfer from the Indian side. Exim India had entered into an MOU with ITC in Geneva on March 26, 2014, under which it was associated with ITC's SITA initiative. The Project was in its inception Phase during March 2014 to March 2015, where a roadmap for SITA, including the focus sectors, was defined. The implementation phase of SITA (March 2015-March 2020) was officially launched in New Delhi, India, during March 19-20, 2015.

Member of Association of African Development Finance Institutions (AADFI)

Exim India is a member of Association of African Development Finance Institutions (AADFI), a forum of institutions/ banks with the objective of creating co-ordination and economic solidarity among the development finance institutions in the African continent. The membership of AADFI helps to provide a platform for building linkages with other institutions in Africa, which are members of AADFI.

Further, Exim India's equity in Agricultural Finance Corporation, which offers consultancy support in development of agro-technology; promoter membership in 'Small Farmers' Agri-Business Consortium (SFAC)', an investment institution whose objectives include promoting small and medium agri-business ventures, places Exim India in a vantage position to share its expertise and support development related activities in Africa.

Global Network of Exim Banks and Development Finance Institutions (G-NEXID)

Exim India has entered into a Memorandum of Understanding (MOU) with four Exim Banks and Development Financial Institutions (DFIs) to form Global Network of Exim Banks and Development Financial Institutions (G-NEXID). The five signatories are Export-Import Bank of India, Export-Import Bank of Malaysia, African Export-Import Bank, Andean Development Corporation and Export-Import Bank of Slovakia. G-NEXID was formally launched at its inaugural meeting at UNCTAD, Geneva on March 13, 2006. Annual Meetings are held to deliberate upon measures to foster long-term relationship, share experience and strengthen financial cooperation to promote trade and investment relations between developing countries. G-NEXID has been granted 'observer' status by UNCTAD.

G-NEXID members in the African Region include: African Export-Import Bank, Cairo; Banque Nationale d' Investissement, Côte d'Ivoire; Banque Pour Le Financement De Petites Et Moyennes Entreprises, Tunis; Central African States Development Bank, Brazza Ville; Development Bank of Mali, Bamako; Development Bank of Namibia, Windhoek; Development Bank of Zambia, Lusaka; Development Bank of Southern Africa, Midrand; East African Development Bank, Kampala; Economic Community of Western African States, Lome; Industrial Development Bank of Kenya, Nairobi; Industrial Development Corporation South Africa, Sandton; Nigerian Export-Import Bank, Nigeria; and PTA Bank, Nairobi.

Inter-Bank Cooperation among BRICS members

BRICS comprising Brazil, Russia, India, China and South Africa, is an association of five major emerging national economies. In order to develop and strengthen economic ties and investment cooperation between BRICS countries, in 2010 state financial institutions for development and export support of the BRICS nations entered into a MOU, laying the foundation of BRICS Inter-Bank Cooperation Mechanism. Export-Import Bank of India is the nominated member development bank under the BRICS Interbank Cooperation Mechanism, along with other nominated member development banks from member nations of BRICS namely Banco Nacional de Desenvolvimento Economico e Social (BNDES), Brazil; State Corporation Bank for Development and Foreign Economic Affairs – Vnesheconombank, Russia; China Development Bank Corporation, and Development Bank of Southern Africa. The inter-bank cooperation among BRICS countries is expected to facilitate trade and help raise the economic profile of member countries at regional and global levels. Inter-bank cooperation is a first step toward closer cooperation within BRICS, and the member countries will jointly finance projects in high technology, innovation and energy saving.

During the fourth BRICS (Brazil, Russia, India, China and South Africa) Summit hosted by India in New Delhi during March 2012, Exim India signed two multilateral financial cooperation agreements with other member development banks, to enhance cooperation among BRICS development banks and to significantly promote intra-BRICS trade. Exim India signed two multilateral financial cooperation agreements with member development banks of BRICS (Brazil, Russia, India, China, and South Africa) nations during the fifth BRICS Summit held in March 2013 at Durban, South Africa. The two Agreements signed are 'BRICS Multilateral Infrastructure Co-financing for Africa' and 'BRICS Multilateral Cooperation and Co-financing Agreement for Sustainable Development'. Exim India has also entered into a Cooperation Agreement on Innovation with the four major development banks of the BRICS countries during the Sixth BRICS Summit held in Fortaleza, Brazil, in 2014, to enhance cooperation among BRICS development banks in the field of innovation and to promote intra-BRICS cooperation in innovation financing.

During the Sixth BRICS Summit, the New Development Bank (NDB) was conceptualized and established by the member nations of BRICS. The NDB entered into force during the Seventh BRICS Summit held in Ufa, Russia on July 9, 2015. With its headquarters in Shanghai and the first Presidency with India, the New Development Bank, was formally launched in Shanghai on July 21, 2015. The Bank is essentially set up to foster greater financial and development cooperation among the five emerging markets. The New Development Bank is envisaged to serve as a powerful instrument for financing infrastructure investment and sustainable development projects in the BRICS and other developing countries and emerging market economies and for enhancing economic cooperation between the countries.

India assumed the Chairmanship of BRICS Forum for 2016 and Exim India, being the nominated member development bank from India, assumed the Presidency of the BRICS Inter-Bank Cooperation Mechanism. The Bank organised a Technical Group meeting in Udaipur, during March 10-11, 2016, to discuss various areas for furthering co-operation among member development banks. During India's Chairmanship, the Bank organised a series of events and seminars, including the Annual Meeting and the Financial Forum of the BRICS Interbank Cooperation Mechanism. Exim India organized the BRICS Financial Forum on October 15, 2016, as part of the events associated with BRICS Summit held during October 15-16, 2016, in Goa. High-level delegations including Chairmen/ Managing Directors from the Development Finance institutions (DFIs) of BRICS and select BIMSTEC countries participated in the event and shared their insights and deliberated upon mechanisms to forge effective partnerships.

GPCL as a Consultant

Global Procurement Consultants Ltd. (GPCL) has been promoted by Exim India in association with leading public sector and private sector consultancy organizations. GPCL's shareholding pattern creates a synergetic fusion of expertise, thereby providing a unique platform for sharing of collective Indian experience in a partnership mode with developing countries and emerging economies, in the professional management of projects, with particular reference to procurement services. GPCL synthesizes India's consultancy expertise in project management and procurement across varied sectors of the economy including finance, infrastructure, energy, transportation, environment, information and communication technology, industry, agriculture, mining, water resources, health and education. GPCL provides technical assistance in enhancing quality, transparency, efficiency and effectiveness of procurement and implementation services to help attain desired institutional and corporate objectives. GPCL supports, enhances and extends scope of project supervision, monitoring and evaluation as also strengthening of institutional capacity for effective programme/ project implementation. In doing so, GPCL leverages upon its demonstrated strengths derived from its core staff, panel of specialists, and resources of its shareholders to assist funding and project executing agencies.

GPCL has a demonstrated track record spanning all stages of the procurement cycle covering procurement advisory services, procurement management, procurement review, performance review, provision of support services, valuations, financial advisory services, overall procurement audit and governance, as also associated services related to training and capacity building. GPCL has undertaken a number of assignments, in India and numerous countries abroad, directly for multilateral funding agencies or in projects funded by them. GPCL also has the distinction of being selected in some instances by the World Bank on a sole source basis, both in India and abroad.

GPCL has extensive experience supporting projects in Africa, and assignments undertaken include:

1. **Procurement Audit** of contracts in World Bank funded projects in Eritrea, Ghana, Malawi, Nigeria and Uganda covering Health, Education, Agriculture, Infrastructure, Power, Privatization and Emergency rehabilitation.
2. **Comprehensive re-appraisal** of Water Supply Projects in Nigeria funded by AfDB.
3. **Country Procurement Assessment Review (CPAR)** in the Kingdom of Swaziland for AfDB in order to examine the existing public procurement framework, benchmark them with good procurement practices, and provide recommendations to revamp the system for better governance.
4. **Procurement Monitoring Agent** for a World Bank funded health project in Kenya calling for review of the procurement of goods, services and minor works including an audit of the procurement processes of the institutions and procurement units supported by the project.

Partner in Institutional Building in Africa

As a partner institution in promoting economic development in Africa, Exim India shares its experience in the setting up of institutional infrastructure for enhancing international trade. In this regard, the Bank has taken active participation in the institutional building process in a number of countries in Africa. Besides being associated in the setting up of the Afreximbank, Exim India undertook an assignment to design, develop, and implement a programme on Film Financing for Nigerian Export-Import Bank (NEXIM Bank) for expanding its exposure in financing films (under Film Financing Programme). Exim India has also been involved in the design and implementation of Export Finance Programmes for Industrial Development Corporation, South Africa; Consultancy Assignment for the Government of Mauritius on 'Projecting Mauritius as an investment hub for Indian Firms'; establishment of Export Credit Guarantee Company in Zimbabwe; and preparing a blue print for setting up of Export-Import Bank of Zimbabwe.

In 2015, International Trade Centre (ITC), Geneva, under its 'Supporting Indian Trade and Investment for Africa (SITA)' Project, awarded Exim India with Phase - 1 of an assignment for 'Institution Capacity Building for Export Credit and Insurance' to enhance trade competitiveness in Rwanda. The objective of the assignment is to establish a rationale and suggest a broad framework for establishing an Export Credit Insurance Corporation in Rwanda.

Institutional Linkages

Exim India has been consciously forging a network of alliances and institutional linkages to help further economic co-operation with the African Region. Towards this end, Exim India has taken up equity in Afreximbank, West African Development Bank (BOAD), and Development Bank of Zambia. These endeavours are supplemented by the various Memoranda of Cooperation (MOCs) / Memoranda of Understanding (MOUs), the Bank has in place, with key institutions in the African Region including: AfDB; Eastern and Southern African Trade and Development Bank (PTA Bank); Afreximbank; Banque De Financement Des Petites Et Moyennes Entreprises (BFPME), Tunisia; Banque Internationale Arabe de Tunisie, Tunisia; Board of Investment, Mauritius; ECO Bank (Pan African Bank); Foreign Investment Promotion Agency, Tunisia; Industrial Development Bank of Sudan; Industrial Development Corporation of South Africa Limited (IDC); Nigerian Export-Import Bank (NEXIM); National Bank of Egypt; and Societe Tunisienne de Banque, Tunisia.

Knowledge Building and Technology Transfer

In the area of knowledge building and technology transfer, Exim India’s research studies have focused on potential areas for boosting India’s trade and investment relations with Africa, the Economic Community of West African States (ECOWAS), Southern African Customs Union (SACU), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Select West African and Southern African Countries, Least Developed Countries (LDCs), as also the member countries of Maghreb region.

In a Nutshell

In sum, Exim India, with its comprehensive range of financing, advisory and support services, seeks to create an enabling environment for enhancing two-way flow of trade, investment and technology between India and the African Region. While promoting infrastructure development and facilitating private sector development in host countries, the various efforts of Exim India, ensconced in its range of activities, also contribute towards institutional building in the African Region.

Annexure 1:

Indian Companies/Investors with approved JVs/ WOSs in Ethiopia

Name of the Indian Company and its respective JV/WOS	US$ mn
Kanoria Chemicals & Industries Ltd	**36.1**
Kanoria Africa Textile Plc	36.1
Frigerio Conserva Allana Ltd	**9.7**
Aksekar Ethiopia Casing Plc	4.5
Frigorifico Boran Foods Pvt Ltd Company	5.2
Arvind Brands And Retail Ltd	**6.6**
Arvind Lifestyle Apparel Manufacturing Plc	6.6
Anmol Polymers P Ltd	**6.5**
Anmol Products Ethopia Plc	5.3
JMD Overseas Industries Plc	0.1
M/s Abhay Transformers Plc	1.1
Indagro Foods Ltd	**5.9**
Aksekar Ethiopia Casing Plc	4.6
Frigorifico Boran Foods Pvt Ltd Company	1.3
Indagro Foods Pvt Ltd	**5.5**
Aksekar Ethiopia Casing Plc	0.3
Frigorifico Boran Foods Pvt Ltd Company	5.2
Arvind ltd	**4.0**
ANF Gulf Garment Factory Pvt Ltd Company	2.3
Arvind Lifestyle Apparel Manufacturing Plc	1.7
Esdee Paints Ltd	**2.6**
Jelaram Pvt Ltd	2.6
Verdanta Harvests Pvt Ltd	**2.0**
Verdanta Harvests Plc	2.0
CLC Enterprises Ltd	**1.6**
Clc Industries Pvt Ltd Company	1.6

Satyendra Packaging Pvt Ltd	**1.2**
Ethio India Packaging Plc	1.2
Karuturi Global Ltd	**1.2**
Karutori Sai Ramkrishna	1.2
Karuturi Agro Products Plc	0.0
Geetanjali Woollens Pvt Ltd	**1.1**
Debre Berhan Blanket Factory	1.1
Mahashakti Energy Ltd	**0.9**
M/s Abhay Transformers Plc	0.9
Emami Biotech Ltd	**0.8**
New Age Biotech Plc	0.8
Lucid Pharma Pvt LTD	**0.8**
Gallob Agro Industry Plc	0.8
Cadila Pharmaceuticals Ltd	**0.8**
Almeta Impex Pvt Ltd Co	0.8
Karle International Pvt Ltd	**0.8**
Vestis Garment Production Plc	0.8
Saber Global Greens Pvt Ltd	**0.8**
Saber Farms Plc	0.8
Cosmic Alloys And Metals Works Pvt Ltd	**0.6**
Mapple Distilleries Plc	0.6
GD Ferro Alloys Pvt Ltd	**0.6**
Mapple Distilleries Plc	0.6
International Panaacea Ltd	**0.6**
Panaacea International Agro Industries Plc	0.6
Panaacea Producers Plc	0.0
Kajaria Ceramics Ltd	**0.6**
Kajaria Ceramics Addis Plc	0.6
Shivalikview Steel Trading Ltd	**0.5**
Aarti Steel (Ethiopia) Pvt Ltd	0.5

ADP Packaging Pvt Ltd	**0.5**
ADP Flexipack Manufacturing Plc	0.5
Neha International Ltd	**0.5**
Dream Flowers Plc	0.5
ANBU Infratech Pvt Ltd	**0.4**
ANBU Geo-Tech And Drilling Plc	0.1
Brotherhood Waterwell Drilling And Construction Plc	0.3
Bassi Steels Ltd	**0.3**
GEC Steel Manufacturing PlC	0.3
Intercontinental Consultants & Technocrats Pvt Ltd	**0.3**
International Consultants And Technocrats Ethiopia Plc	0.3
Ajay Industrial Corporation Ltd	**0.3**
Ajay Pipes Pvt Ltd Company	0.3
Dodla Dairy Ltd	**0.3**
Abyssinia Bharat Food Parks Plc	0.0
Dodla Milk Processing Plc	0.2
Citron Infraprojects LtD	**0.3**
SVP Textiles Plc	0.3
Ashok Goyal	**0.2**
GEC Steel Manufacturing Plc	0.2
Sara Cotton Fibers Pvt Ltd	**0.2**
Sara Cotton Fibres Pvt Ltd	0.2
White Filed Cotton Farm Plc	0.0
Avishkar International Pvt Ltd	**0.2**
Get Eshet Detergent Manufacturing And Packaging Plc	0.2
Jeevan Polymers (P) Ltd	**0.2**
Jay Pee Plasto Pack Manufacturing Plc	0.2
Pidilite Industries Ltd	**0.2**
Pidilite Chemical Plc	0.2

Kilitch Drugs India Ltd	**0.2**
Kilitch Estro Biotech Plc	0.2
Advance Ispat (India) Ltd	**0.2**
Advance Drilling Products PlC	0.2
Anish Vinod Agrawal	**0.2**
Phoenix Industries Pvt Ltd Company	0.2
Keshav Kailas Agrawal	**0.2**
Phoenix Industries Pvt Ltd Company	0.2
Nakul Agrawal	**0.2**
Phoenix Industries Pvt Ltd Company	0.2
Indosin Pvt Ltd	**0.1**
TI Metals & Forming Share Company	0.1
Shree Renuka Sugars Ltd	**0.1**
Shree Renuka East Africa Agrriventures Plc	0.1
Suchitra Yarn Traders	**0.1**
Suchitra Yarn Traders	0.1
Birla Corporation Ltd	**0.1**
Birla Corporation Cement Manufacturing Plc	0.1
Yash R Choudhari	**0.1**
Terra Wires Plc	0.1
BNS Placement Services Pvt Ltd	**0.1**
Shree Steel Manufacturing Plc	0.1
Hytech Natural Drillers Pvt Ltd	**0.1**
Hytech Natural Drillers Plc	0.1
KBN Infrastructure Pvt Ltd	**0.1**
Shree Steel Manufacturing Plc	0.1
Ramya Agrotech Pvt Ltd	**0.1**
Ramya Agro Overseas Plc	0.1
Ranjit S Choudhari	**0.1**
Terra Wires Plc	0.1

Gravita Exim Ltd	**0.1**
Pagrik Erhopia Plc	0.1
Souriish Marbles Pvt Ltd	**0.1**
Souriish Marbles Plc	0.1
Tafe Motors And Tractors Ltd	**0.1**
The United Plantations Plc	0.1
Proful Oils Pvt Ltd	**0.1**
JMD Overseas Industries Plc	0.1
The United Nilgiri Tea Estate Company Ltd	**0.1**
The United Plantations Plc	0.1
Overseas Infrastructure Alliance India (Pvt) Ltd	**0.1**
OIA Infrastructure Developers Plc	0.1
Prestige Oils Pvt Ltd	**0.1**
JMD Overseas Industries Plc	0.1
Meenakshi Infrastructures Pvt Ltd	**0.04**
Abyssinia Bharat Food Parks Plc	0.04
Srinivsa Foods And Feeds Pvt Ltd	**0.04**
Abyssinia Bharat Food Parks Plc	0.04
Naresh Bhandari	**0.01**
Amaira Textile Mills Plc	0.01
C & E Ltd	**0.01**
C & E Leather Technique Plc	0.01
Vintage Steel Pvt Ltd	**0.01**
Aarti Steel (Ethiopia) Pvt Ltd	0.01
MP Birla Group Services Pvt Ltd	**0.0001**
Birla Corporation Cement Manufacturing Plc	0.0001
Indian Investments in Ethiopia	**98.1**

Note – the above data is cumulative from July 2007 – December 2016.
Source: Reserve Bank of India (RBI)

Annexure 2:

Indian Companies/Investors with approved JVs/ WOSs in Kenya

Name of the Indian Company and its respective JV/WOS	US$ mn
Interlabels Industries Pvt Ltd	**121.4**
Rodwell Press Ltd	121.4
Arrow Webtex Ltd	**13.5**
Peninsula KENYA Ltd	13.5
Devyani Food Industries Ltd	**7.6**
Sameer Agriculture And Livestock(Kenya) Ltd	7.6
Astral Poly Trchnik Ltd	**3.1**
Astral Pipes Ltd	1.0
Astral Trchnologics Ltd	2.2
Manipal Technologies Ltd	**2.4**
Manipal International Printing PRESS Ltd	2.4
Glenmark Pharmaceuticals Ltd	**2.1**
Glenmark Pharmaceuticals Kenya Ltd	2.1
Angira Distributors Pvt Ltd	**1.2**
Rishit Metals Ltd	1.2
Hind Aluminium Industries Ltd	**1.1**
Hind Aluminium Industries (Kenya) Ltd	1.1
Skanem Interlabels Industries P Ltd	**0.9**
Rodwell Press Ltd	0.9
Manipal Press Ltd	**0.8**
Manipal International Printing Press Ltd	0.3
Manipal International Printing Press Ltd	0.5
Onmobile Global Ltd	**0.8**
Onmobile Kenya Telecom Ltd	0.8
Quick Heal Technologies Pvt Ltd	**0.7**
Quick Heal Technologies Africa Ltd	0.7

Royal Pen And Plastics Ltd	**0.7**
Fairmead Ltd	0.7
Metropark Infratech & Realty Developments Pvt Ltd	**0.7**
Karibu Homes Parktel Ltd	0.7
Tally Solutions Pvt Ltd	**0.5**
Tally Solutions Kenya Ltd	0.5
Sunrise Buildhome Pvt Ltd	**0.5**
Indusrift Ltd	0.5
Softage Information Technology Ltd	**0.4**
Softage Adept International Ltd	0.4
ADCC Infocad Pvt Ltd	**0.4**
ADCC International East Africa Ltd	0.4
Quick Heal Technologies Ltd	**0.4**
Quick Heal Technologies AFRICA Ltd	0.4
Bliss GVS Pharma Ltd	**0.4**
Greenfield Developers Ltd	0.4
Sujan Luxury Hosptality Pvt Ltd	**0.4**
Elephant Pepper Camp Ltd	0.4
Vijai InfrastructuRE Ltd	**0.3**
VIL (Africa) Ltd	0.3
IPE Global Ltd	**0.3**
IPE Global (Africa) Ltd	0.3
New Age International Pvt Ltd	**0.3**
New Age Golden ((East Africa) Ltd	0.3
Supreme And Company Pvt Ltd	**0.3**
Afro Indo Traders Ltd	0.3
Mahashakti Energy Ltd	**0.2**
Mahashakti Kenya Ltd	0.2

Prince Plastics Infrnational Pvt Ltd	**0.2**
Evolution Plastics Ltd	0.2
LCL Logistix India Pvt Ltd	**0.2**
LCL Logistix (Kenya) Ltd	0.2
Mercury Industries Ltd	**0.2**
Zebki Pacakgin Ltd	0.2
Prakash Chemicals International PVT Ltd	**0.2**
Prakash Sethia East Africa Ltd	0.2
Infrastructure Professional Enterprise (P) Ltd	**0.2**
IPE Global (Africa) Ltd	0.2
Innovis Telecom ServiceS PVT Ltd	**0.2**
Innovis Telecom Services (Africa) Ltd	0.2
Suguna Holdings P Ltd	**0.1**
Suguna Poultry Kenya Ltd	0.1
ADCC Infocad Ltd	**0.1**
ADCC International East Africa Ltd	0.1
General Insurance Corporation	**0.1**
Kenindia Assurance Company Ltd	0.1
Sameer Joshi	**0.1**
Mantic Africa Ltd	0.1
Ashish Vyas	**0.1**
Mantic Africa Ltd	0.1
Karan Ventures PVT Ltd	**0.1**
Karan Biofuel Ltd	0.1
Melimu Edutech Pvt Ltd	**0.1**
Melimu Company Ltd	0.1
Deval Kanaiyalal Modi	**0.1**
Kendia Polypack Ltd	0.1

Healthcare Global Enterprises Ltd	**0.1**
Healthcare Global (Kenya) Pvt Ltd	0.1
Parthiv Hareshkumar Shah	**0.1**
Lanced Caption Holdings (Propitory) Ltd	0.1
Eastern Software Systems Pvt Ltd	**0.1**
Eastern Software Syatems Africa Ltd	0.1
Gujarat Telelink Pvt Ltd	**0.1**
Gujarat Telelink East Africa Ltd	0.1
Vir Rajesh Patel	**0.1**
Fairmate Lileria Kenya Ltd	0.1
Gogreen Power Pvt Ltd	**0.1**
Afrienergy Ventures (Kenya) Ltd	0.1
Nagarjuna Construction Co Ltd	**0.1**
Nagarjuna Construction Company (Kenya)Ltd	0.1
Bonsai Network India P Ltd	**0.1**
M/S Ushaeppix Tech Ltd	0.1
Nestor Pharmaceuticals Ltd	**0.1**
Nostrum (Kenya)L Imited	0.1
Shapoorji Pallonji Infrastructure Capital Company Pvt Ltd	**0.1**
Sunshine Energy Kenya Ltd	0.1
Analytic Solutions	**0.05**
United African Beverages Ltd	0.05
Capricorn Logistics Pvt Ltd	**0.03**
Capricorn Logistics Kenya Ltd	0.03
Pawan Rajesh Patel	**0.03**
Fairmate Lileria Kenya Ltd	0.03
GI Tech Gaming Co India Pvt Ltd	**0.03**
KCGDG Ltd	0.03

Samin Tekmindz India PVT Ltd	**0.03**
Samin Tekmindz Kenya Ltd	0.03
Satish Kelath Menon	**0.02**
Monopol Colors East Africa Ltd	0.02
Vaibhavi Varun Rupani	**0.02**
Super Sweets Ltd	0.02
Rony Darayas Gandhi	**0.02**
Kendia Polypack Ltd	0.02
Sameep K Desai	**0.02**
Omega Biz Kenya Ltd	0.02
RMN Infotech Pvt Ltd	**0.02**
RMN Infotech Africa Ltd	0.02
Rajesh Vithalbahi Patel	**0.01**
Fairmate Lileria Kenya Ltd	0.01
Abakas Advisors And Investments	**0.01**
Flair Kenya Ltd	0.01
SLS Software Pvt Ltd	**0.01**
TCL International Ltd	0.01
Preferred Card Marketing Pvt Ltd	**0.01**
TCL International Ltd	0.01
Smile Multimedia Pvt Ltd	**0.003**
Squad Digital Ltd	0.003
Quasar Media Pvt Ltd	**0.003**
Squad Digital Ltd	0.003
Altura Consulting Pvt Ltd	**0.003**
Altura Africa Ltd	0.003
Doux Dentistry Pvt Ltd	**0.002**
Doux Dentistry Pvt Ltd	0.002

Alkem Laboratories Ltd	**0.001**
Pharmacor Ltd	0.001
Shalby Ltd	**0.001**
Shalby (Kenya) Ltd	0.001
Mode Finserver Pvt Ltd	**0.001**
Mode Finserver Ea Ltd	0.001
Enovateur Technologies	**0.001**
Enovateur Technologies Kenya Ltd	0.001
K.G.N. Biofuels Pvt Ltd	**0.001**
Clean Bioenergy Ltd	0.001
RJ Corp Ltd	**0.001**
Africare Ltd	0.001
Associated Aluminium Products Pvt Ltd	**0.0004**
Hind Aluminium Industries (Kenya) Ltd	0.0004
Bharat Arora	**0.0002**
Afritech Oil Industries Ltd	0.0002
Ashish Bhargava	**0.0002**
Afritech Oil Industries Ltd	0.0002
Metro Wireless Engineering I Pvt Ltd	**0.0001**
Metro Global Consultancy Ltd	0.0001
Bhola Shri Marketing Pvt Ltd	**0.0001**
Reliefline (Kenya) Ltd	0.0001
Metro Telworks Pvt Ltd	**0.0001**
Metro Global Consultancy Ltd	0.0001
Indian Investments in Kenya	**164.3**

Note – the above data is cumulative from July 2007 – December 2016.
Source: Reserve Bank of India (RBI)

Annexure 3:

Indian Companies/Investors with approved JVs/ WOSs in Rwanda

Name of the Indian Company and its respective JV/WOS	US$ mn
MET Trade India Ltd	**19.0**
MET Trade Overseas SARL	19.0
Nyagatare Agro Ventures Pvt Ltd	**5.3**
Nyagatare Agro Ventures Rwanda Ltd	5.3
Sahasra Electronics Pvt Ltd	**1.2**
Sahastra Electronics (Rwanda) Pvt Ltd	1.2
Hicommands Tech India Ltd	**0.1**
Hicommanda Pvt Ltd	0.1
Onmobile Global Ltd	**0.05**
Onmobile Rwanda Telecom Ltd	0.05
Pitambra Books Pvt Ltd	**0.02**
INR Pitambra SARL	0.02
Waterlife India Pvt Ltd	**0.01**
Waterlife Rawanda Ltd	0.01
P Sureshkumar	**0.01**
SRS Africa Ltd	0.01
GP Karthikeyan	**0.003**
SRS Africa Ltd	0.003
Indian Investments in Rwanda	**25.6**

Note – the above data is cumulative from July 2007 – December 2016.
Source: Reserve Bank of India (RBI)

Annexure 4:

Indian Companies/Investors with approved JVs/ WOSs in Tanzania

Name of the Indian Company and its respective JV/WOS	US$ mn
PSI Hydraulics	**20.1**
PSI Hydralulics(Tanzania)	20.1
Banco Products India Ltd	**16.7**
Kilimanjaro Biochem Ltd	12.5
Lake Cement Ltd	4.3
RITES Ltd	**8.3**
Tanzania Railway Ltd	8.3
Fair Deal Cars PVT Ltd	**7.6**
Fair Deal Auto P Ltd	7.6
Tata Petrodyne Ltd	**7.3**
Kilosa Kilombero LiceNSE	4.9
Pangani License	2.4
Royal Orchid Hotels Ltd	**2.1**
Multi Hotels Ltd	2.1
Venkatrama Poultries Pvt Ltd	**1.3**
Nine Hills Tanzania Ltd	1.3
Princeware International Pvt Ltd	**1.2**
Princeware Africa Ltd	1.2
R J Feeds Pvt Ltd	**0.9**
Gold'n Chiks Ltd	0.9
Tanworld International Pvt Ltd	**0.9**
Tanworld Minerals Ltd	0.9
Alpha Nippon Innovatives Ltd	**0.8**
Kamal Alloys Ltd	0.8
Nestor Pharmaceuticals Ltd	**0.3**
Nostrum Tanzania Ltd	0.3

Frigerio Conserva Allana Ltd	**0.3**
Frigorifico Victoria Ltd	0.3
Sri Ganesh Forwarders Pvt Ltd	**0.3**
EA Gateway Logistics Ltd	0.3
Vasista Mines Pvt Ltd	**0.3**
Bhumi Mining Ltd	0.3
Indagro Foods Ltd	**0.3**
Frigorifico Victoria Ltd	0.3
Sidhhartha Corporation Pvt Ltd	**0.2**
Harvard Global Logistics Tanzania Ltd	0.2
Mercury Industries Ltd	**0.2**
Zebaki Packaging (TanzaniA) Ltd	0.2
Webstar Vyapaar Pvt Ltd	**0.2**
Ganesh Tanzania Ltd	0.2
Grow-Well Engineering Export P Ltd	**0.1**
Sparr Drilling Co. Ltd	0.1
Matchit Consultants Pvt Ltd	**0.1**
Oanisha (Match-It) International Company Ltd	0.1
Excel Crop Care Ltd	**0.1**
Excel Crop Care (Africa) Ltd	0.1
Unihealth Consultancy Pvt Ltd	**0.1**
Biohealth Ltd	0.1
Kishore Thakurdas Raghani	**0.1**
Kism Ltd	0.1
Mallika Mohandas	**0.1**
Madras Institute Of Orthopaedics And Trauma Tanzania Ltd	0.1
Dr. PVA Mohandas	**0.1**
Madras Institute Of Orthopaedics And Trauma Tanzania Ltd	0.1

Dr. Prithvi Mohandas	**0.1**
Madras Institute Of Orthopaedics And Trauma Tanzania Ltd	0.1
Bhrithi Mining Pvt Ltd	**0.04**
Bhumi Mining Ltd	0.04
Potla Shanthi	**0.04**
Manyara Foods Ltd	0.04
S.S. Control Systems Pvt Ltd	**0.04**
S.S. Electricals & Products Ltd	0.04
Potla Nishanth	**0.04**
Manyara Foods Ltd	0.04
Madhavi Potla	**0.04**
Manyara Foods Ltd	0.04
Lovson Exports Ltd	**0.04**
TIZI Foods Ltd	0.04
Balaji Iron And Minerals Pvt Ltd	**0.03**
Balaji Iron And Minerals P Ltd Tanzania	0.03
RMN Infotech Pvt Ltd	**0.02**
RMNinfotech Africa Ltd	0.02
Potla Nageswara Rao	**0.02**
MANYARA FOODS Ltd	0.02
Indagro Foods Pvt Ltd	**0.02**
Frigorifico Victoria Ltd	0.02
Yogesh Aggrawal	**0.01**
Maya Overseas Ltd	0.01
Anurag Handa	**0.01**
Maya Overseas Ltd	0.01
Onmobile Global Ltd	**0.01**
Onmobile Tanzania TelecoM Ltd	0.01

Diamond & Gem Development Corporation Ltd	**0.01**
Dgdc Tanzania Ltd	0.01
Shashank Bhasker Trivedi	**0.01**
Ayush International Ltd	0.01
Arun Kumar Naval	**0.01**
Maya Overseas Ltd	0.01
Teleminex India Pvt Ltd	**0.01**
Prithvi Resources (T) Ltd	0.01
Nihilent Technologies Pvt Ltd,	**0.01**
Nihilent Tanzania Ltd	0.01
Dharma Theja Paruchuri	**0.005**
Nine Hills Tanzania Ltd	0.005
IL & FS Maritime Infrastructure Co Ltd	**0.003**
IL&FS Kamal International Container Terminal Ltd	0.003
IL&FS Energy Development Company Ltd	**0.003**
Kamal Bagamoyo Energy Ltd	0.003
Baramati Agro Ltd	**0.003**
Baramati Agro Tanzania Ltd	0.003
Healthcare Global Enterprises Ltd	**0.001**
Healthcare Global (Tanzania) Pvt Ltd	0.001
Indian Investments in Tanzania	**70.2**

Note – the above data is cumulative from July 2007 – December 2016.
Source: Reserve Bank of India (RBI)

Annexure 5:

Indian Companies/Investors with approved JVs/ WOSs in Uganda

Name of the Indian Company and its respective JV/WOS	US$ mn
Devyani International Pvt Ltd	**24.3**
Sameer InvestmenTS Ltd	24.3
Majoris Trade And Exports Pvt Ltd	**0.7**
Majoris Agro Ltd	0.7
Acacia Projects Pvt Ltd	**0.7**
Acacia Projects Uganda Pvt Ltd	0.7
JEPH International Educare Pvt Ltd	**0.5**
Jaipur International Ltd	0.5
Tirupati Sarjan Ltd	**0.5**
Tirupati Development (Uganda) Ltd	0.5
Rohini Minerals Pvt	**0.4**
S.R.Afrochicks & Breeders Ltd	0.4
Unihealth Consultancy Pvt Ltd	**0.4**
Unihealth Uganda Ltd	0.1
Victoria Hospital Ltd	0.3
Onmobile Global Ltd	**0.4**
Onmobile Uganda Ltd	0.4
Cameo Corporate Services Ltd	**0.3**
Cameo Techedge Services Ltd	0.3
Bothra VarianT Pvt Ltd	**0.2**
Vinayak Minerals Ltd	0.2
Sri Rajeshwara Hatcheries Pvt Ltd	**0.2**
S.R.Afrochicks & Breeders Ltd	0.2
KGS Sugar And Infra Corporation Ltd	**0.2**
Seven Star Sugar Ltd	0.2

Medibios Laboratories PVT Ltd	**0.2**
Medvin Pharma Ltd	0.2
Intaz Agro Pvt Ltd	**0.1**
Intaz (U) Ltd	0.1
Sea Deals Trade Pvt Ltd	**0.1**
Dakshin Uganda Ltd	0.1
Roshni Seeds Pvt Ltd	**0.1**
Green Nile Agro TECH Ltd	0.1
P Madheshwaran	**0.1**
PMP Holdings Ltd	0.1
Aroma Realties Ltd	**0.1**
A & T Quarry U Ltd	0.1
Flowtech Industries LLP	**0.1**
Flowtech Agroventures Ltd	0.1
B Ravikumar	**0.1**
PMP Holdings Ltd	0.1
Healthcare Global Enterprises Ltd	**0.1**
Healthcare Global Uganda Pvt Ltd	0.1
Shree Balaji Goodearth	**0.1**
Vir Metals And Refiners Uganda Ltd	0.1
Eastern Software Systems Ltd	**0.04**
Eastern Software Systems Uganda Ltd	0.04
Vir Alloys & Steel Co Pvt Ltd	**0.04**
Vir Metals And Refiners Uganda Ltd	0.04
Amit Nutanchandra Mehta	**0.03**
Medvin Pharma Ltd	0.03
Samruddhi Autoworld Pvt Ltd	**0.02**
Fuel Stick Uganda Ltd	0.02

Rajesh Valjibhai Vaghasia	**0.02**
Ascort Mining (U) Ltd	0.02
Marwar Impex Pvt Ltd	**0.02**
Marwar Agro Products Ltd	0.02
Ghanshyam Vanmalidas Dudharejiya	**0.01**
Ascort Mining (U) Ltd	0.01
Arvind Premji Bhanusali	**0.01**
Ascort Mining (U) Ltd	0.01
A2Z Maintenance & Engineering Services Ltd	**0.004**
A 2 Z Maintenance And Engineering Services (Uganda) Pvt Ltd	0.004
Straina International Pvt Ltd	**0.001**
Straina Uganda Ltd	0.001
SVSVS Projects Pvt Ltd	**0.001**
SVSVS Projects Pvt Ltd	0.001
Bhola Shri Marketing Pvt Ltd	**0.001**
Releifline (Uganda) Ltd	0.001
Indian Investments in Uganda	**29.9**

Note – the above data is cumulative from July 2007 – December 2016.
Source: Reserve Bank of India (RBI)

Annexure 6:

Exim Bank of India's LOCs in Africa (As on December 31, 2016)

- **GOI-supported LOCs**

Sr. No.	Country	Borrower	Amount of Credit (US$ mn)	Products/Projects covered
1	Angola	Government of Angola	40.0	Railway rehabilitation
2	Angola	Government of Angola	30.0	Industrial park
3	Angola	Government of Angola	15.0	Setting up a textile project (Cotton Ginning & Spinning)
4	Benin	Government of Benin	15.0	Railway equipment (US$ 10.25 mn) , agricultural equipment (US$ 4.25 mn) and cyber city (US$ 0.50 mn)
5	Benin	Government of Benin	15.0	Tractor assembly plant and farm equipment manufacturing unit
6	Benin	Government of Benin	42.6	Up-gradation of Water Supply Schemes in 69 villages in Benin
7	Burkina Faso	Government of Burkina Faso	30.0	Agricultural projects including acquisition of tractors, harvesters, agricultural processing equipment
8	Burkina Faso	Government of Burkina Faso	25.0	Rural electrification
9	Burkina Faso	Government of Burkina Faso	22.5	Low cost housing and economical buildings project in Burkina Faso
10	Burundi	Government of Burundi	80.0	Kabu Hydro Electric Project
11	Burundi	Government of Burundi	4.2	Farm Mechanization
12	Burundi	Government of Burundi	0.2	Preparation of Detailed Project report for an Integrated Food Processing Complex in Burundi
13	Cameroon	Government of Cameroon	37.7	(i) Maize Farm Plantation Projects (US$ 18.77 mn), (ii) Rice Farm Plantation Projects (US$ 18.88 mn)
14	Cameroon	Government of Cameroon	42.0	Cassava Plantation Project
15	Central African Republic	Government of Central African Republic	29.5	Setting up a modern dry process cement plant and procurement of buses for internal transport
16	Central African Republic	Government of Central African Republic	39.7	Two hydro-electric project
17	Central African Republic	Government of Central African Republic	20.0	Development of Mining Project
18	Chad	Government of Chad	50.0	setting up of cotton yarn plant, Steel billet plant and rolling mill, plant for assembly of agricultural equipment and bicycle plant
19	Chad	Government of Chad	40.3	(i) Compost Production Unit (USD 7.20 million); (ii) Rural Electrification Project (solar energy) (USD 15 million); (iii) Production Unit of Live Stock Feed (USD 2.22 million); and (iv) Extension of Spinning Mill (additional of weaving and processing capacities)(USD 15.90 million) in Chad
20	Chad	Government of Chad	18.1	Pharmaceutical Manufacturing Plant

21	Comoros	Government of Comoros	41.6	For installation of an 18 MW power project in Moroni, the capital city of Comoros
22	Côte d'Ivoire	Government of Côte d'Ivoire	26.8	Project for renewal of urban transport system in Abidjan and for agricultural projects in the field of vegetable oil extraction, fruits and vegetable chips production, production of cocoa, coffee etc
23	Côte d'Ivoire	Government of Côte d'Ivoire	25.5	(I) Mahatma Gandhi IT and Biotechnology Park, (ii) Fisheries Processing Plant and (Iii) Coconut fibre processing plant
24	Côte d'Ivoire	Government of Côte d'Ivoire	30.0	electricity interconnection project between Côte d'Ivoire and Mali
25	Côte d'Ivoire	Government of Côte d'Ivoire	30.0	Rice Production Programme
26	Côte d'Ivoire	Government of Côte d'Ivoire	24.0	Electricity Interconnection Project between Côte d'Ivoire and Mali
27	Djibouti	Central Bank of Djibouti, Djibouti	10.0	General Purpose. Three contracts – one for supply of diesel generating sets and pumps, second for setting up a mini cement plant and a third contract for civil works - have been approved
28	Djibouti	Government of Djibouti	10.0	Cement Plant Project
29	Djibouti	Government of Djibouti	14.0	Completing Cement Plant Project in Djibouti
30	Djibouti	Government of Djibouti	15.1	Ali Sabieh Cement Project, Djibouti
31	DR Congo	Government of D. R. Congo	33.5	setting up a cement factory in DR Congo, acquisition of 228 buses and acquisition of equipments for MIBA
32	DR Congo	Government of D. R. Congo	25.0	Installation of hand pumps and submersible pumps
33	DR Congo	Government of D. R. Congo	42.0	Execution of Kakobola Hydroelectric Power Project
34	DR Congo	Government of D. R. Congo	168.0	Ketende Hydro-electric Project
35	DR Congo	Government of D. R. Congo	82.0	Katende Hydro-electric Project
36	DR Congo	Government of D. R. Congo	34.5	Development of Power Distribution Project in Bandundu Province
37	DR Congo	Government of D. R. Congo	109.9	Transmission and distribution project in Kasai province
38	Eritrea	Government of Eritrea	20.0	Multipurpose agricultural projects and educational projects
39	West Africa	Ecowas Bank for Investment and Development	250.0	Public Sector Projects
40	West Africa	Ecowas Bank for Investment and Development	100.0	Public Sector Projects
41	West Africa	Ecowas Bank for Investment and Development	150.0	Public Sector Projects

42	Ethiopia	Government of Ethiopia	65.0	Energy transmission and distribution project
43	Ethiopia	Government of Ethiopia	122.0	Sugar Industry
44	Ethiopia	Government of Ethiopia	166.2	Development of sugar industry
45	Ethiopia	Government of Ethiopia	213.3	Development of sugar industry
46	Ethiopia	Government of Ethiopia	91.0	Development of sugar industry
47	Ethiopia	Government of Ethiopia	47.0	Development of sugar industry
48	Ethiopia	Government of Ethiopia	300.0	Ethio-Djibouti Rail Line Project
49	Gabon	Government of Gabon	14.5	Housing industry
50	Gabon	Government of Gabon	67.2	Rehabilitation and upgradation of the broad-casting facilities
51	The Gambia	Government of Gambia	6.7	Tractor assembly plant project
52	The Gambia	Government of Gambia	10.0	Construction of National Assembly Building Complex
53	The Gambia	Government of Gambia	16.9	Completion of National Building Assembly Complex
54	The Gambia	Government of Gambia	22.5	Electrification expansion project
55	The Gambia	Government of Gambia	22.5	Replacement of Asbestos water pipes with UPVC pipes project
56	Ghana	Government of Ghana	27.0	Rural electrification, agriculture, communication and transportation projects.
57	Ghana	Government of Ghana	60.0	Rural electrification project, construction of Office and Seat of President
58	Ghana	Government of Ghana	25.0	Track materials, tools and equipment , Procurement of 60 high capacity mineral wagons and spares, Procurement of 30 nos covered wagons, Spares of low capacity mineral wagons, Tata flat trucks/buses and Foundry materials, Communication and Technology (ICT) and Good Governance project, and Agro Processing Plant
59	Ghana	Government of Ghana	21.7	(I) Improved fish harvesting and fish processing project and (ii) waste management equipment and management support project
60	Ghana	Government of Ghana	35.0	Sugar Plant
61	Ghana	Government of Ghana	24.5	Sugarcane development and irrigation project
62	Guinea	Government of the Republic of Guinea	35.0	Strengthening of Health System
63	Guinea Bissau	Government of Guinea Bissau	25.0	Electricity project mango juice and tomato paste processing unit and purchase of tractors and water pumps for development of the agricultural sector
64	Kenya	Government of Kenya	61.6	Development of various small and medium enterprises
65	Kenya	IDB Capital Limited, Kenya	15.0	Upgrade of Rift Valley Textiles Factory (RIVATEX East Africa Ltd)
66	Kenya	Government of Kenya	30.0	

67	Lesotho	Government of Lesotho	5.0	General purpose: Contracts approved include export of pump sets, consultancy services and irrigation equipment
68	Lesotho	Government of Lesotho	4.7	Vocational training centre for empowerment of youth and women
69	Liberia	Government of Liberia	144.0	Power Transmission and Distribution Project
70	Madagascar	Government of Madagascar	25.0	Project for rice productivity (US$ 10 mn) and project for fertilizer production (US$ 15 mn)
71	Malawi	Government of Malawi	30.0	Supply of irrigation, storage, tobacco threshing plant and one village- one project in Malawi
72	Malawi	Government of Malawi	50.0	Cotton processing facilities (US$ 20 mn), Green Belt Initiative (US$ 15 mn) One Village One Product (OVOP) (US$ 15 mn)
73	Malawi	Government of Malawi	76.5	Procurement of design, supply, installation and commissioning of fuel storage facilities ,irrigation network, commissioning of sugar processing facility in Salima district
74	Malawi	Government of Malawi	23.5	Construction of a new water supply system from Likhubula river in Mulanje to Blantyre
75	Mali	Government of Mali	27.0	Rural electrification and setting up of agro machinery and tractor assembly plant in Mali.
76	Mali	Government of Mali	30.0	Electricity transmission and distribution project from Côte d'Ivoire to Mali
77	Mali	Government of Mali	45.0	Electricity transmission and distribution project from Côte d'Ivoire to Mali
78	Mali	Government of Mali	36.0	Completion of Mali-Ivory Coast Interconnection Link for integrating the national power grids of the two countries
79	Mali	Government of Mali	15.0	Agriculture and food processing projects
80	Mali	Government of Mali	100.0	Power Transmission Project Connecting Bamako and Sikasso via Bougouni
81	Mauritania	Government of Mauritania	21.8	Potable water project (USD 6.8 mn) and agricultural development project (USD 15 mn)
82	Mauritius	Government of Mauritius	48.5	Offshore Patrol Vessel from M/s Garden Reach Shipbuilders & Engineers Ltd.
83	Mauritius	Government of Mauritius	46.0	Purchase of specialised equipment and vehicles
84	Mauritius	Government of Mauritius	18.0	To finance the acquisition of Waterjet Fast Attack Craft
85	Mauritius	Government of Mauritius	52.3	Project Trident
86	Mozambique	Government of Mozambique	20.0	General purpose - Contracts approved include supply of water drilling machinery, equipments, accessories, components and spares, support vehicles, water and fuel tankers and electrical equipments
87	Mozambique	Government of Mozambique	20.0	Gaza Electrification Project
88	Mozambique	Government of Mozambique	20.0	Transfer of water drilling technology and equipment
89	Mozambique	Government of Mozambique	25.0	To finance IT Park Project which will comprise construction of building and (a) incubator facility, (b) research and learning center and (c) technology park and administrative facility.

90	Mozambique	Government of Mozambique	30.0	Rural Electrification Projects in the provinces of Gaza, Zambezia and Nampula in Mozambique
91	Mozambique	Government of Mozambique	25.0	Rural Electrification of Cabo Delgado, Manica and Niassa Provinces
92	Mozambique	Government of Mozambique	20.0	Enhancing productivity of rice, wheat, maize cultivation
93	Mozambique	Government of Mozambique	13.0	Solar Photo Voltaic Module Manufacturing Plant
94	Mozambique	Government of Mozambique	250.0	improving the quality of power supply in Mozambique
95	Mozambique	Government of Mozambique	19.7	Rural drinking water project extension
96	Mozambique	Government of Mozambique	149.7	Rehabilitation of Road between Tica, Buzi and Nova Sofala in Mozambique
97	Mozambique	Government of Mozambique	47.0	Construction of 1200 houses in Mozambique
98	Niger	Government of Niger	17.0	Acquisition of buses, trucks, tractors, motor pumps and flourmills
99	Niger	Government of Niger	20.0	(a) Rehabilitation of six-power stations (b) Purchase of three power transformers (c) Rehabilitation as well as erection of power lines between various places in Niger
100	Niger	Government of Niger	34.5	Electrification of 30 villages using solar photovoltaic system and Setting up of Solar Photovoltaic System
101	Niger	Government of Niger	25.0	Potable Water for Semi-Urban and Rural Communities
102	Niger	Government of Niger	30.0	Solid Waste Treatment cum Landfill Project
103	Nigeria	Government of Nigeria	100.0	Various projects in Nigeria
104	R. Congo	Government of the Republic of Congo	70.0	Rural Electrification
105	R. Congo	Government of the Republic of Congo	89.9	Development of Transport System
106	R. Congo	Government of the Republic of Congo	55.0	Setting up a Greenfield 600 tpd rotary kiln Cement Plant Project
107	Rwanda	Government of Rwanda	20.0	Power projects
108	Rwanda	Government of Rwanda	60.0	Power projects
109	Rwanda	Government of Rwanda	120.1	[i] Export Targeted Modern Irrigated Agricultural Project (USD 60.22 million); and [ii] Extension of Export Targeted Modern Irrigated Agricultural Project (USD 59.83 million)
110	Senegal	Government of Senegal	17.9	Supply of buses and spares by Tata International (Tata Motors) from India to Senegal
111	Senegal	Government of Senegal	27.0	Irrigation project
112	Senegal	Government of Senegal	11.0	Women poverty alleviation programme and acquisition of vehicles from India
113	Senegal	Government of Senegal	10.0	IT Training projects
114	Senegal	Government of Senegal	25.0	Rural electrification project and Fishing Industry Development Project

115	Senegal	Government of Senegal	5.0	Supply of Medical equipments, furniture and other accessories to 4 hospitals
116	Senegal	Government of Senegal	27.5	Rural electrification
117	Senegal	Government of Senegal	19.0	Fisheries Development Project
118	Senegal	Government of Senegal	42.0	Setting up a Modern Abattoir, Meat Processing, Cold Storage, Rendering and Tannery Plant and Market Place in Senegal
119	Senegal	Government of Senegal	26.0	Acquisition of buses
120	Senegal	Government of Senegal	63.0	Rice Self Sufficiency programme in Senegal
121	Senegal & Mali	Government of Senegal & Mali (combined)	27.7	Acquisition of railway coaches and locomotives from India. Mali (US$ 20.62 mn) and Senegal (US$ 7.08 mn)
122	Seychelles	Government of Seychelles	8.0	General Purpose - Contracts covered include export of rice, potatoes and buses
123	Seychelles	Government of Seychelles	10.0	Import of goods and services from India for specific projects funded by Development Bank of Seychelles (DBS)
124	Sierra Leone	Government of Sierra Leone	15.0	Procurement of tractors and connected implements, harvesters, rice threshers, rice mills, maize shellers and pesticide soarat equipment
125	Sierra Leone	Government of Sierra Leone	30.0	Rehabilitation of existing facilities and addition of new infrastructure to supply potable water
126	Sierra Leone	Government of Sierra Leone	78.0	Transmission Line and Substation in Sierra Leone
127	Sudan	Government of Sudan	50.0	General purpose: Contracts approved include export of electrification equipment, photovoltaic cells, diesel coaches, rehabilitation of locomotives, textile machinery, copper rods etc.
128	Sudan	Government of Sudan	350.0	Project for setting up 4 x 125 MW Kosti Combined Cycle Power Plant in Sudan to be executed by Bharat Heavy Electricals Ltd. (BHEL)
129	Sudan	Government of Sudan	41.9	SINGA-GEDARIF transmission and Sub-Station Project
130	Sudan	Government of Sudan	48.0	(i) supply of agricultural inputs for the Sudanese Agricultural Bank, (ii) technical and laboratory equipment to Higher Educational Institutions, (iii) scientific equipments for Ministry of Science and Technology, (iv) solar electrification and (v) meeting requirement of Sudan Railways
131	Sudan	Government of Sudan	52.0	Singa-Gadarif Transmission line extension to Galabat, micro-industrial projects and development of livestock production and services
132	Sudan	Government of Sudan	25.0	Eldeum Sugar Project at White Nile state
133	Sudan	Government of Sudan	125.0	Mashkour Sugar Project (second tranche of US$ 150 mn)
134	Sudan	Government of Sudan	45.2	Capitalization of Interest under operative LOCs for change in terms of the existing LOCs
135	Swaziland	Government of Swaziland	20.0	IT Park
136	Swaziland	Government of Swaziland	37.9	Agricultural Development and Mechanization of Agriculture in Swaziland
137	Tanzania	Government of Tanzania	40.0	Export of tractors, pumps and equipments from India to Tanzania.

138	Tanzania	Government of Tanzania	36.6	Financing the purchase of 723 vehicles
139	Tanzania	Government of Tanzania	178.1	Water supply schemes to Dar-es-Salaam
140	Tanzania	Government of Tanzania	268.4	Extension of Lake Victoria Pipeline to Tabora, Igunga and Nzega
141	Tanzania	Government of Tanzania	92.2	Rehabilitation and improvement of water supply system in Zanzibar
142	Togo	Government of Togo	15.0	Rural Electrification Project in Togo
143	Togo	Government of Togo	13.1	Farming and cultivation of Rice, Maize and Sorghum in Togo
144	Togo	Government of Togo	30.0	Rural Electrification Project to cover 150 localities
145	Togo	Government of Togo	52.0	Setting up of 161 KV Power Transmission Line
146	Zambia	Government of Zambia	50.0	Pre-fabricated Health Posts in Zambia
147	Zambia	Government of Zambia	29.0	Itezhi-Tezhi Hydro power project
148	Zimbabwe	Government of Zimbabwe	28.6	Up-gradation of Deka Pumping Station and River Water Intake System in Zimbabwe
149	Zimbabwe	Government of Zimbabwe	87.0	Renovation/Up- gradation of Bulawayo Thermal Power Plant
	Africa Total		**7599.6**	

- **Institutional LOCs**

Sr. No.	Borrower	Region	Amount of Credit (US$ mn)	Products/Projects covered
1	AfreximBank	Pan-African Institution	30.0	General Purpose
2	Banque Ouest Africaine De Developpement (West African Development Bank)	West	10.0	General Purpose
3	Eastern and Southern African Trade and Development Bank (PTA Bank) (covering 17 countries in the eastern and southern African region)	Pan-African Institution	25.0	General purpose
4	Nigerian Exim Bank	-	20.0	General purpose
5	Indo-Zambia Bank	Southern Africa	5.0	General purpose
	Sub-Total		**90.0**	

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