

**OVERVIEW OF THE
ROLE OF THE
PRIVATE SECTOR
IN WEST AFRICA
DEVELOPMENT
AGENDA**

**1st ECOWAS – Japan
Business Forum.**

**28 – 29 October, 2015
Tokyo. Japan.**

**Kalilou Traore
Commissioner Industry
and Private Sector
Promotion**

**ECOWAS Commission
Abuja. NIGERIA.**

PRESENTATION OUTLINES

- I. OVERVIEW OF THE ECOWAS ECONOMY**
- II. INVESTMENT OPPORTUNITIES IN
ECOWAS**
- III. ECOWAS BUSINESS CLIMATE**
- IV. EXPECTATIONS AND CONCLUSIONS**

OVERVIEW OF ECOWAS ECONOMY



OVERVIEW OF ECOWAS ECONOMY

❑ **ECOWAS** 15 countries: BENIN, BURKINA FASO, CAPE VERDE, COTE D'IVOIRE, GAMBIA, GHANA, GUINEA, GUINEA BISSAU, LIBERIA, MALI, NIGER, NIGERIA, SENEGAL, SIERRA LEONE and TOGO

❑ **CREATION: 1975**

❑ **Population : 340 millions**

❑ **Total Land Area : 5,112,903 km²**

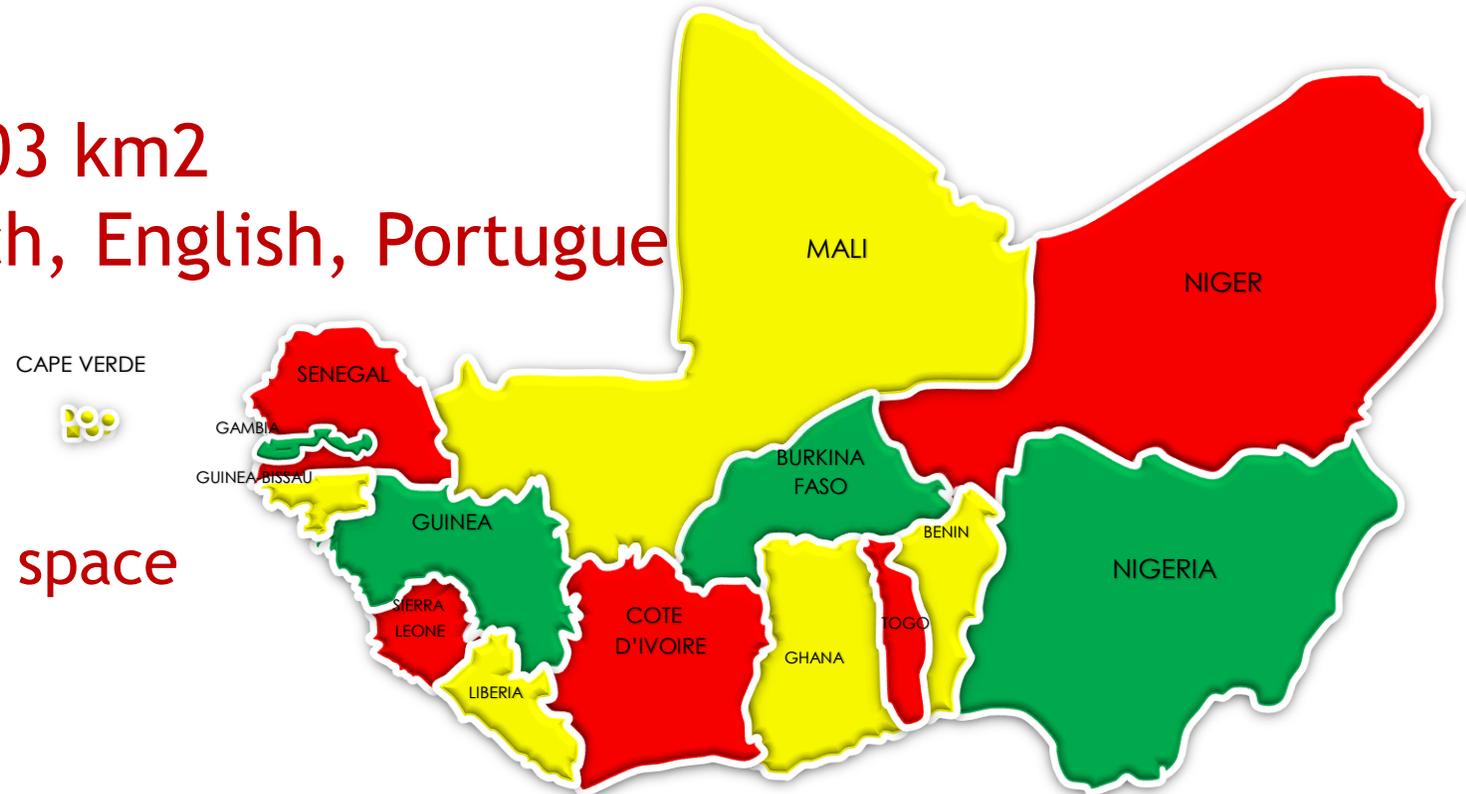
❑ **Official Languages : French, English, Portuguese**

❑ **OBJECTIVE**

❑ Promote cooperation

❑ Create a common market

❑ Create a peace and security space



OVERVIEW OF ECOWAS ECONOMY

- ▶ In recent years, West African countries are among the fastest growing economies the world with
- ▶ ECOWAS region is steadily emerging as the next growth pole
- ▶ Regional GDP US\$725 Billions in 2014, with 28.7% generated by agriculture, 21.6% by the industrial sector, and 49.7% by the service sector.
- ▶ GDP Per Capita now average \$ 1100
- GDP growth: 6.3% in 2013 and 7% in 2014
- FDI : \$31 billion in 2012

OVERVIEW OF ECOWAS ECONOMY

► Recent key factors of the growth:

- Surge in the price of commodities in the world market especially natural resources which the region has an abundance;
- A growing middle class
- Stability, democracy and governance reform resulting in more accountability, transparency and rule of law
- Improved macroeconomic conditions and microeconomic reforms to create a better business climate
- high rate of return on investment ranging between 20%-35%.

MAIN ECOWAS BUSINESS OPPORTUNITIES



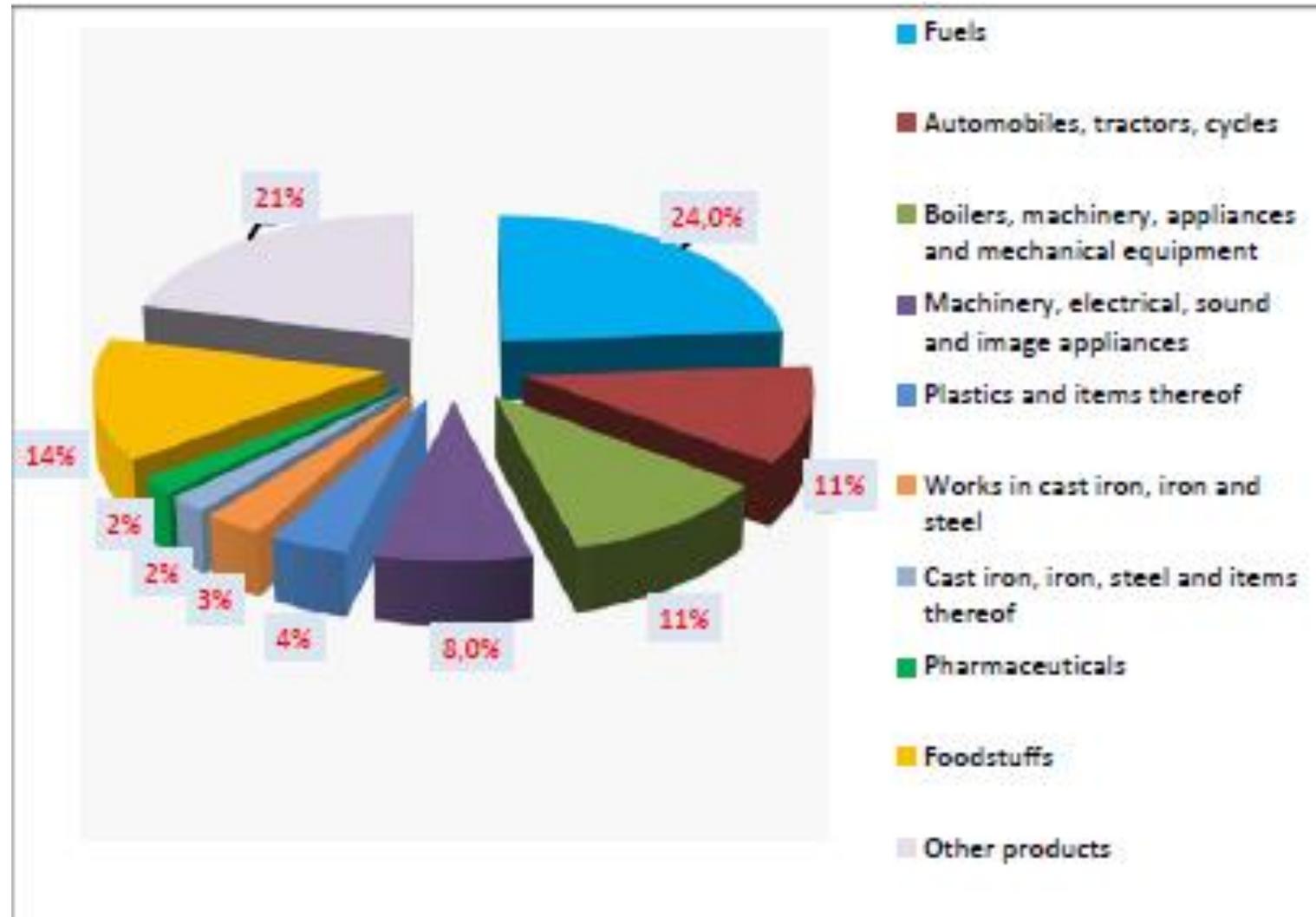
MAIN BUSINESS OPPORTUNITIES

1. REGIONAL MARKET OPPORTUNITIES
2. EXPORT OPPORTUNITIES
3. MINES, OIL, GAS AND ENERGY OPPORTUNITIES
4. INFRASTRUCTURES AND TRANSPORTS

ECOWAS IMPORTS OF MANUFACTURED PRODUCTS

**Total Ecowas import value
\$70 billion 2011**

- Fuel 24%
- Food products 14% (*rice, wheat, fish, milk, poultry, meat, food preparations*)
- Motor vehicles, tractors 11%
- Mechanical appliances 11%
- Electric machinery 8%
- Plastics 4%
- Iron 3%
- Pharmaceutical 2%



ECOWAS EXPORTS

**Total Ecowas export value
\$80 billion 2011**

Oil 75%

Cocoa 5%

Precious stones 3%

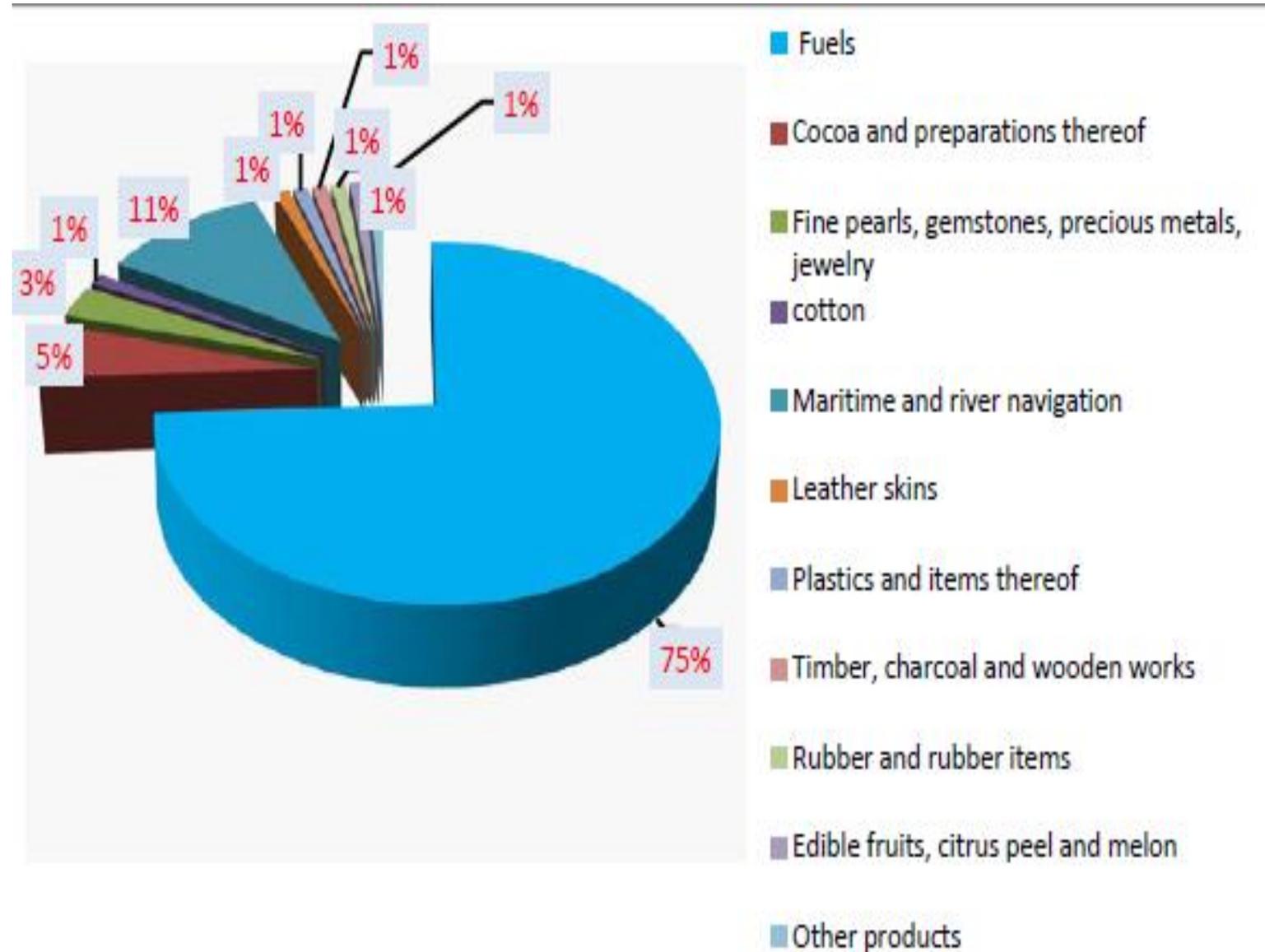
Cotton

Fruit

Rubber

Wood

Fish



Some Major Economic Products in ECOWAS Region

□ Major Economic products :

❖ **Major agricultural crops:** cocoa, palm oil, yams, cassava, sorghum, millet, corn, rice, groundnuts, cotton, timber, beans, sesame, cashew nuts, gum arabic, kola nut, maize, palm kernel, melon, plantain, rubber, soya beans, sugar cane, livestock hide and skin, etc

❖ **Minerals Resources:** Tin, Columbite, Iron-Ore, Coal, Limestone, Lead, Zinc, Gold and Crude oil and Natural Gas, phosphate, zircon, bauxite, tarube, Peat, Diamond, Rare earth.



INVESTMENT OPPORTUNITIES IN ECOWAS

- Agriculture
- Mining
- Tourism
- Construction and Real Estate
- Consumer and Retail industries
- Water and sanitation
- Higher education and professional training
- Digital economy
- Energy
- Transportation
- Information, Communication Technology
- Natural Resources



INVESTMENT OPPORTUNITIES IN ECOWAS

POWER

- ❑ Most ECOWAS countries have some of the lowest levels of per capita energy consumption in the world.
- ❑ Electricity consumption on the average in ECOWAS was 136 kWh in 2005 below the UN specified minimum of 1000 kWh required for industrialization take-off and far below world average of 2,400 kWh
- ❑ The West African Power Pool was established by ECOWAS in 2000 to establish a reliable power grid for the region and a common market for electricity. Total investment required in the WAPP infrastructure is about \$24 billion of which \$ 18 billion is for power generation and the \$6 billion for transmission.
- ❑ Investment opportunities exist in the following areas
- ❑ Power – Generation, Transmission & Distribution
 - ❖ Building new power plants
 - ❖ Expanding existing transmission lines
 - ❖ Expansion of existing gas supply transportation facilities
 - ❖ Building new networks
- ❑ Manufacture of Wires, Cables, Transformers, and other auxiliary equipment

Energy Source in ECOWAS

- Hydro
- Thermal
- Renewable



**ECOWAS
BUSINESS
CLIMATE
IMPROVEMENT**



ECOWAS BUSINESSES CLIMATE IMPROVEMENT

- REGIONAL SECURITY AND STABILITY COOPERATION
- REGIONAL CUSTOM UNION AND FREE TRADE AREA
- REGIONAL COMMON INVESTMENT MARKET
- REGIONAL PRIVATE SECTOR STRATEGY
- REGIONAL SECTORAL STRATEGY (Monetary, Agri, Industry, Quality, Trade, Energy, Transports, Tourism etc)
- REGIONAL SUPPORT TO BUSINESS CLIMATE IMPROVEMENT

ECOWAS BUSINESSES CLIMATE IMPROVEMENT

- MANY SUCCESS STORIES OF INTERNATIONAL AND REGIONAL FIRMS IN THE REGION
- FOOD AND AGRO INDUSTRIES
 - NESTLE, OLAM, UNILEVER, CARGILL,
- MECHANIC:
 - TOYOTA, NISSAN, HONDA, HYUNDAI, PEUGEOT etc<
- ICT PERATORS
 - MTN (South Africa), Etisalat (UAE), Airtel (India), Orange (France), Globacom (Nigeria).

EXPECTATIONS AND CONCLUSIONS



EXPECTATIONS OF COOPERATION AND PARTNERSHIP

- **INSTITUTIONAL STRATEGIC COOPERATION**
 - **STRATEGIC COOPERATION PLAN WITH ECOWAS IN PRIORITY AREAS**
 - **SUPPORT TO ECOWAS INDUSTRY STRATEGY IN PRIORITY SECTORS (Agro industry, Pharmaceutical, Automotive and machinery, Construction materials)**
- **BUSINESS PARTENERSHIP AND INVESTMENT**
 - Business cooperation framework between Ecowas and Japan Private sector
 - Funding facilities for Ecowas-Japan business partnership
 - Participation of Japan business firms to Ecowas 1rst Industry expo in 2016

EXPECTATIONS OF COOPERATION AND PARTNERSHIP

- SPECIFIC INTEREST SECTOR
 - INDUSTRY
 - AGRO INDUSTRY (COCOA, CASHEW, PALM OIL, CASAVA, TEXTILE, FERTILIZERS ETC.
 - PHARMACEUTICAL
 - AUTOMOTIVE ASSEMBLY
 - TRANSPORTS
 - ENERGY
 - DISTRIBUTION
 - ICT
 - TOURISM

