

NEWSLETTER

N° 22



Free zones
AFRICA

AFRICA FREE ZONES

MAY 2018



www.africafreezones.com
Based in Tangier Morocco



AFRICA FZO



AFZORGANIZATION



AFZO

INVESTMENTS IN AFRICAN FREE ZONES



In Nigeria, the total value of capital imported in the first three months of 2018 (Q1) stood at \$6,303.63 million, which represents a 594 percent increase (year- on-year) from \$908.3 million in Q1 2017, according to National office of Statistics (NBS). The first quarter in 2018 saw a continuous growth in total capital importation into Nigeria, the fourth consecutive quarterly increase since Q2 2017. This increase in capital inflow in Q1, 2018 was driven mainly by Portfolio Investment, which grew from \$3,477.53 million in the previous quarter to \$4,565.09 million, accounting for 72.42 percent of the total capital importation during the same quarter. Foreign direct investment accounted for 3.91% and 23.67% of total Capital Importation into Nigeria in the quarter under review.

Source : www.businessdayonline.com

The Nigerian office of Statistics has released the full year (Q4) 2017 Nigerian Capital Importation Report. The total capital imported in the fourth quarter of 2017 was \$5,382.9 million, this was an annual growth of 247.5%, and quarterly growth of 29.9%. As at the end of 2017, total capital imported into Nigeria was \$12,228.6 million, an increase of \$7,104.4 million or 138.7% from the figure recorded in 2016. The growth in capital importation in 2017 was mainly driven by an increase in Portfolio Investment which is tied to the entry of funds into the country by foreigners depositing money in the country's bank or make purchases in the country's stock and bond markets, which went up by \$5,516.2 million from the previous year to reach \$7,329.1 million in 2017, and accounting for 60% of capital imported.

Source : www.imf.org



DEVELOPMENT AND MANAGEMENT IN AFRICA FREE ZONES



Foreign direct investment in Africa hit US\$60 billion in year 2016 up from the 2000 total figure of US\$10 billion, with aggregated economic growth reaching 3.6% and projected to climb to 4.1% 2018 and 2019. With a growing population and increasing middle-class, Africa needed to accelerate more and more its industrialization growth through the scaling up of investments, creation of regional champions of trade and growing of effective markets in the coming years. Africa diversify the sources of investment to finance various strategic programmes to grow the economies of African countries and improve the living conditions of the population.

Source : www.businessghana.com

Dozens of African countries agreed to establish what could be a truly transformative trade deal. At a special African Union summit convened in Rwanda, 44 governments signed the African Continental Free Trade Area (AfCFTA) agreement. The majority of the remaining 11 AU member states signed the Kigali Declaration, a promissory note to ratify the AfCFTA. 27 additionally signed a separate AU Protocol on the Free Movement of People. The UN Economic Commission for Africa (UNECA) has estimated the agreement's implementation could increase intra-African trade by 52 percent by 2022, compared with trade levels in 2010. A research paper by UNCTAD concedes that elimination of all tariffs between African countries would take an annual \$4.1bn out of the trading states' coffers, but would create an overall annual welfare gain of \$16.1bn in the long run.



Dozens of African countries agreed to establish what could be a truly transformative trade deal. At a special African Union summit convened in Rwanda, 44 governments signed the African Continental Free Trade Area (AfCFTA) agreement. The majority of the remaining 11 AU member states signed the Kigali Declaration, a promissory note to ratify the AfCFTA. 27 additionally signed a separate AU Protocol on the Free Movement of People. The UN Economic Commission for Africa (UNECA) has estimated the agreement's implementation could increase intra-African trade by 52 percent by 2022, compared with trade levels in 2010. A research paper by UNCTAD concedes that elimination of all tariffs between African countries would take an annual \$4.1bn out of the trading states' coffers, but would create an overall annual welfare gain of \$16.1bn in the long run.

source : www.africanarguments.org



The latest International Monetary Fund (IMF) forecast says Ethiopia will be the fastest-growing economy in sub-Saharan Africa in 2018. The IMF World Economic Outlook predicts 8.5% growth in 2018, far outstripping that of advanced economies. Much of the investment in Ethiopia has come from overseas. According to the IMF, foreign direct investment growth was 27.6% in 2016/17, with investments going into new industrial parks and privatization inflows. Ethiopia has been selling its state-owned businesses to outside investors like China. It becomes not only Ethiopia's biggest foreign investor but also its largest trading partner. The Country has also encouraged foreign investment in its manufacturing industry, hoping to compete with India and China with its cheap labour costs. Fashion brands like H&M, Guess, J Crew, and Naturalizer have already established manufacturing centres there. Ethiopia's rise has been largely driven by an increase in industrial activity, including investments in infrastructure and manufacturing.

Source : www.salini-impregilo.com