

AFRICA
FREE ZONES
ORGANISATION



ANNUAL REPORT

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AFRICA
FREE ZONES
ORGANISATION



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ECONOMIC ZONES

SUPPORTING INDUSTRIALIZATION IN AFRICA

Economic Zones are geographically delimited areas within which governments facilitate industrial activities through fiscal and regulatory incentives and infrastructure support. They are generally established with a few specific, but by no means exclusive, policy goals, with export promotion, import substitution, job creation and foreign direct investment (FDI) attraction central to almost all zones. EZs also unlock agglomeration economies and create clusters by concentrating economic infrastructure and public goods in one geographic area, allowing industries to overcome minimum size thresholds and begin to leverage scale economies.

EZs go by different names, including free zones, economic zones, export processing zones, industrial parks. Regardless of the name used to define them, EZs are designed as instruments of trade, investment and spatial industrial policy. Many developing countries adopt a regime of EZs to support partial exposure to global markets while maintaining protective barriers in a 'stepwise' approach to economic, social and political reform.

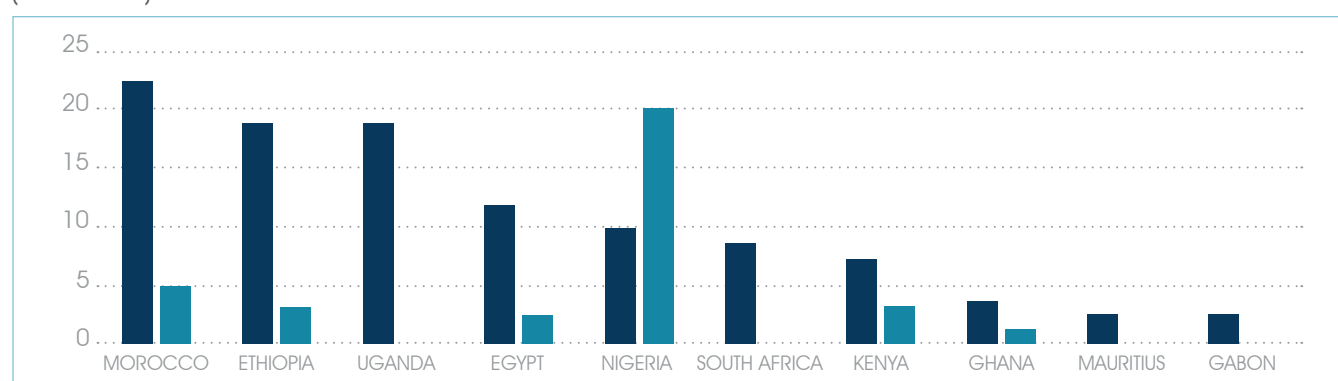
EZs were adopted relatively late in Africa and most African countries did not operationalize their programmes until the 1990s or 2000s. Only several African countries, including Liberia, Mauritius, and Senegal, launched EZ programmes in the early 1970s. As of 2014, the majority of countries in Sub Saharan Africa have active EZ programmes, most of these being traditional Export Processing Zones and industrial parks.

As of 2019, there are an estimated 189 operating EZs in Africa. EZs are well developed across the continent and are present in 47 of the 54 countries. Eastern Africa accounts for the largest share of the total EZs in the continent (29% of the total), followed by Northern Africa (28%) and Western Africa (19%). Southern Africa and Central Africa have a smaller number of EZs, accounting for 15% and 8% of the total respectively.

There are 57 ongoing EZs projects across the continent. About 50% of the EZ projects are being undertaken in the Eastern Africa region, showing a strong commitment from those governments in pursuing economic development through EZs strategy.

Morocco, Egypt, Nigeria and South Africa developed strong EZs programmes. In Morocco, Tanger Med Zones has been crowned Africa's winner. Strategically located on the Strait of Gibraltar and at the conjunction of major maritime routes, the zone offers access to target markets in both Europe and Africa. It is home to more than 900 companies in various sectors such as automotive, aeronautics, logistics and textiles. Tanger Med Zones attracted several new investments from companies including Valeo, Magneti Marelli and Varroc. Investors continue to settle in the zone due to its 'plug and play' policy, highly skilled and multilingual talent pool and attractive tax regime.

The table below shows the countries with the highest number of EZs in Africa. Morocco has the highest number of EZs in operation (22 zones in 2018) and Nigeria has the highest number of ongoing and planned EZs projects (20 in 2018).



EZs programmes are usually adopted to meet countries' quantitative growth goals (i.e. investment attraction, trade promotion, job creation and exports increase), dynamic (i.e. industrial upgrading, skills development, economic diversification and structural change, as well as integration into value chains) and socioeconomic (i.e. sustainable development, quality of employment and environmental protection) objectives. Although the objective of most EZs in Africa, especially in Sub-Saharan Africa, is to enhance manufacturing and exports in low-skill, labour-intensive industries such as garments and textiles, some countries are targeting diverse sectors and higher value addition.

TRADE

Exports from EZs can account for a significant share of national exports. Most African economies whose exports are growing the fastest, have a well-developed EZ programme with one or more EZs. EZs have also led to export diversification. From raw agro-products to high value added agro-processing exports and from apparel and textile to electronic components. The EZ impact on trade growth is stronger in the short-term and relatively weaker in the long-term. EZs have a greater positive impact on exports when outward-looking and export-oriented policies are in place at the national level.

JOBS

EZs though economic development have supported employment creation in skilled and highly skilled sectors in Africa. Over the past 5 years, more than 60 million jobs have been created the majority in Agro-processing instead of traditional farming. Zones have created direct jobs and indirectly through supply chains in construction, manufacturing, mining and utilities and in highly skilled sectors such as telecommunications and digital products. The rate of job creation in EZ programmes has significantly out-paced the total employment growth in the country. EZs can be linked with increased labour productivity and skills improvement.

BUSINESS MODELS

In terms of business models, Public operated EZs are the most common model across Africa, accounting for about 42% of the total EZs followed by Public-Private-Partnerships (30%). The nature of the zone management (public, private, PPP) does not seem to influence zone performance as previously thought. The best practices are mainly a combination of PPP and publically managed zones. The impact of zone management on performance depends on the local context. Whether zones are operated by the private or the public sector frequently is dependent on country-level policy-making and legislation.

FDI

EZs have given a significant boost to FDI flows to Africa which increased by 11% in 2018 to \$47 Billion. The estimates for 2019 are positive and FDI is expected to increase by 3% to \$49 Billion. EZ can create attractive investment conditions and enhance foreign direct investment. In many African countries, EZs account for significant share of country FDI, which can exceed 20%. EZs can influence the type of foreign investment especially in high-technology and professional sectors. Sectors located in EZs can be linked with high economic growth rates and investment return.

SUCCESS FACTORS

Strong long-term vision and institutional support are essential for zones success and development. Effective cooperation between different levels of government agencies and private sector is one of the key elements to attract significant investments. Infrastructure investment and creation of 'integrated clusters' are crucial to ensure connectivity and coordination between different zones and boost performances at zone and country level. Qualified labour force and Investment in skills represent a key success factor in zones including training centres and training programmes tailored to the needs of relevant sectors in the zones. Latest thinking and evidence of best practice indicates that successful EZs adopt parallel economic programming (feasibility studies, market analysis, demand forecast, business case) and physical programming (site assessment, infrastructure review) supported by a strong organisational framework (EZ regime, incentives and developer model).

STAKEHOLDERS

An EZ regime requires a strong orchestrated team of public and private stakeholders in the design, set-up and operational stages, including Government, EZ Authority, Zone developer, Zone operator, Zone regulator, Tax and customs authorities and Investment promotion agencies. The roles also evolve over time as experience and capacity is gradually built up.



TANGER MED

African Union

AFRICA FREE ZONES ORGANISATION

AFZO

IN BRIEF

Economic Zones have multiplied around the world since the 1980s, mainly in response to the wave and changes in global trade and industrial value chain. The Economic Zones are becoming the most popular instrument for developing economies in emergent countries. The African Economy is also following this successful model, duplicating and deploying performant practices.

More than 200 Economic Zones have been implemented in the African continent, with the objective to attract Foreign Direct Investments and offer suitable facilities to host industrial, logistic & service activities.

The African leaders of Economic Zones engaged their collective knowledge, through Africa Free Zones Organisation (AFZO), providing strategic and technical assistance, identifying business opportunities and promoting sustainable economic development models and practices.

Founded in November 2015, by Tanger Med, Africa Free Zones Organisation is an association of leading African Economic Zones and institutions in charge of the development, management and promotion of Economic Zones in Africa.

AFZO is striving to enhance and sustain relationships within African Economic Zones ecosystem, and offers dedicated support to its members, with devoted focus on growth and prosperity.

Through its activities, it aims to foster collective knowledge sharing, provide strategic and technical assistance, identify business opportunities and promote sustainable economic models and practices.

Represent African Economic Zones at International Organizations

Enhance and Improve Economic Zones Attractiveness

KEY
ORIENTATIONS

Set-up of tailored model for Economic Zones Development

Contribute to the Implementation of Sustainable Development Policies

Promote African Economic Zones Business Activities & Initiatives

TESTIMONIALS



"We thank AFZO and Tanger Med for their initiatives to support African economic zones. SEZs are important for the structural transformation of Africa and to foster intra-business linkages and viability. SEZs can address dilemmas of industrial production and rapid industrialization in the short term at continental and regional level".

“ H.E. Ambassador Albert Muchanga
Commissioner for Trade and Industry of the African Union Commission

"There is a need to ensure existing and planned economic zones more sustainable so as to realize the integral socioeconomic targets of SEZs across Africa. Economic Zones are becoming expensive to set up, so financial and fiscal performance metrics and models should be more sustainable".

“ Richard Bolwijn

Head of Investment Research at the UN Conference on Trade and Development (UNCTAD)'s Division on Investment and Enterprise (DIAE)



"We've been informed that Africa Free Zones Organisation is actively engaged in attracting FDI and contributing to the socio-economic development of Africa. We are highly privileged for this outstanding endeavor to make this happen in our motherland Africa. We believe that the support that we'll get from the AFZO and from the insights of this meeting is going to be the power that will push us forward to be able to attain the efficiency and the effectiveness that we want to see in the import and export process of our country".

“ H.E. Ms. Dagmawit Moges
Minister of Transport, Ethiopia

"The initiative taken by Africa Free Zones Organisation, Togo Invest and the Free Zone Administration Company (SAZOF), to organize this workshop around the concept of Special Economic Zones, fits perfectly into the dynamic that Togo is currently experiencing. By being closely linked to the PND, it also aims to seek international best practices".

“ H.E. Kodjo Adedze

Minister of Commerce, Industry, Private Sector Development & Promotion of Local Consumption, Togo



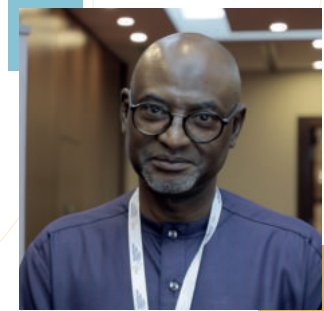
TESTIMONIALS

"The better we come together as Africans, the better we will become in this world. I believe the beginning of African economic development and political coalition will start with AFZO".



Mr Mu'Azu Muhammad Hadi Ruma

General Manager Private Zones, Nigerian Export Processing Zones Authority (NEPZA), Nigeria



"The workshop held by AFZO in Libreville enabled offering to more than 25 member countries of the Organization a review and the harmonization of views on major reforms. In particular, the development of regional trade as well as the implementation of good environmental and social governance policies".



H.E. Biendi Maganga-Moussavou

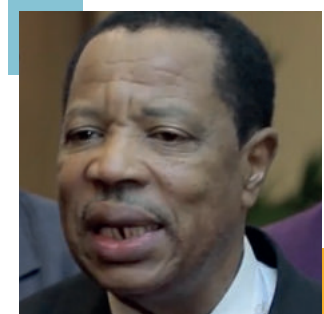
Minister of Agriculture, Livestock, Fisheries and Food

"We will take advantage of the AFZO Annual Meeting to discuss with developers, to exchange with managers of various free and economic zones from different countries, so that these two decrees that the government of Niger has just taken can be implemented and that the FZ and the IZ be a reality. This association is led by a very dynamic team".



H.E. Waziri Maman

Minister of Urban Planning and Housing



"When I heard about the AFZO, I said this is the organisation which I have to be part of ... our expectations were very clear... we need benchmark, best practices, knowledge sharing with other organisations. It is very important to define the right strategies to speed up the process of economic zones in the case of Mozambique, based on the experience of other African countries".



Mr. Lourenço Sambo

CEO, Agency for Investment and Export Promotion (APIEX), Mozambique

AFZO NEW MEMBERS

AFZO Members comprehends representatives of African Economic Zones and institutions in charge of the development and promotion of Economic Zones in Africa.

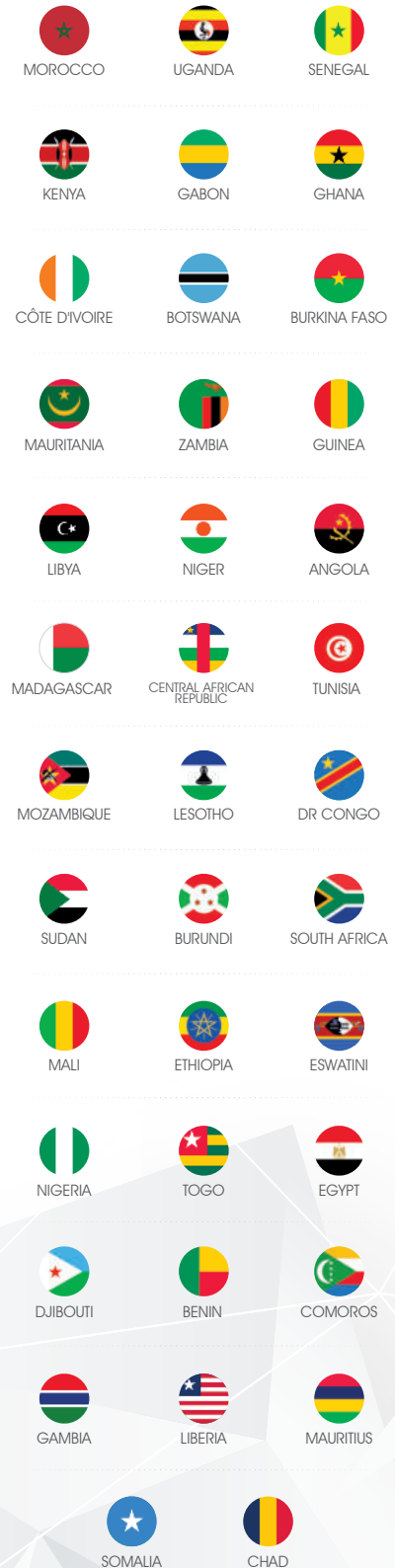
“ 19 NEW MEMBERS
(73 TOTAL MEMBERS)

“ 11 NEW COUNTRIES REPRESENTED
(37 TOTAL COUNTRIES)



NEW AFZO MEMBERS IN 2019:

- LUSAKA-SOUTH MULTI FACILITY ECONOMIC ZONE - **ZAMBIA**
- LUANDA-BENGO SPECIAL ECONOMIC ZONE - **ANGOLA**
- AGENCE NATIONALE DE PROMOTION DES INVESTISSEMENTS - **GABON**
- GIETAF SPECIAL ECONOMIC ZONE - **GAMBIA**
- ECONOMIC DEVELOPMENT BOARD OF MADAGASCAR - **MADAGASCAR**
- FOND DE DÉVELOPPEMENT DES INFRASTRUCTURES INDUSTRIELLES - **CÔTE D'IVOIRE**
- MINISTÈRE DU COMMERCE ET DE L'INDUSTRIE - **CENTRAL AFRICAN REPUBLIC**
- PARC D'ACTIVITÉS ECONOMIQUES DE BIZERTE - **TUNISIA**
- ECONOMIC DEVELOPMENT BOARD - **MAURITIUS**
- INDUSTRIAL PARKS DEVELOPMENT CORPORATION - **ETHIOPIA**
- AGENCE NATIONALE POUR LA PROMOTION DES INVESTISSEMENTS - **COMOROS**
- AGENCY FOR INVESTMENT AND EXPORT PROMOTION - **MOZAMBIQUE**
- LESOTHO NATIONAL DEVELOPMENT CORPORATION - **LESOTHO**
- BPML FREEPORT SERVICES LTD. - **MAURITIUS**
- AGENCE DES ZONES ÉCONOMIQUES SPÉCIALES - **DR CONGO**
- PUFFA NIGERIA LIMITED - **NIGERIA**
- WALTON PARTNERS - **TUNISIA**
- LAGOS FREE TRADE ZONE COMPANY - **NIGERIA**
- BURUNDI INVESTMENT PROMOTION AUTHORITY - **BURUNDI**
- SUDANESE FREE ZONES & MARKETS COMPANY LTD.- **SUDAN**



AFZO

NEW PARTNERSHIPS

The African Union Commission' Department of Trade and Industry (DTI) mandate is to contribute towards making Africa a significant and competitive industrial and trading partner in the global economy.

In 2019, the DTI successfully co-organized the 4th edition of **AFZO's** Annual Meeting. Entitled "Special Economic Zones: Accelerator for Industrialization in Africa", the event took place in conjunction with Africa Industrialization Week on November 18th – 20th, at the African Union Headquarters, Addis Ababa, Ethiopia.

The mission of the **United Nations Industrial Development Organization (UNIDO)** is to promote and accelerate inclusive and sustainable industrial development (ISID). Tasked with leading the implementation of IDDA III, UNIDO implements projects related to industrial parks, supports Economic Zones' development and provides policy advisory and technical assistance to help their establishment and upgrade.

UNIDO engaged through its experts in several **AFZO** events in 2019, mainly the Regional Workshops. They shared the UNIDO's experience in advancing economic competitiveness, strengthening knowledge and institutions, financial issues and best practices in funding models.

The **United Nations Conference on Trade and Development (UNCTAD)** supports developing countries to access the benefits of a globalized economy more fairly and effectively.

UNCTAD's Investment and Enterprise Division participated in several **AFZO's** Webinars and Workshops, where were highlighted trends of Economic Zones around the world, resulting challenges and future opportunities, in light of the 2019 edition of the World Investment Report, the Division's flagship product. This report was also considered as a scientific reference during the AFZO 4th Annual Meeting.

Industrializing Africa is one of the "High - 5s" development priorities for the **African Development Bank (AfDB) Group**. Hence the role of the Bank in supporting SEZs, which have a potential role both as a locomotive of industrialization and as an instrument of industrial development.

The AfDB is supporting **AFZO** initiatives, thus enduring the partnership between the two institutions. This is the case with the testimony delivered by its president, Akinwumi Adesina, at the AFZO 3rd Annual Meeting, in addition to regular involvement of AfDB experts in AFZO Activities.

For more than 30 years, capacity development has been one of the key services delivered by **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**.

It's highly involved in the field of international cooperation and does remarkable work in the area of industrial parks and SEZs.

GIZ is an active partner of **AFZO**, mainly in the Training & Capacity Building programs, where it shares dedicated expertise to African Economic Zones, through reforming the economic environment, international exchange, research and sustainability.

& AFZO TRAINING & CAPACITY BUILDING

AFZO 4TH ANNUAL MEETING

220

PARTICIPANTS

60

**AFRICAN
ECONOMIC
ZONES**

43

COUNTRIES

38

**PARTNERS
& EXPERTS**

AFZO REGIONAL WORKSHOPS

03

**HOST
COUNTRIES**

+500

PARTICIPANTS

25

EXPERTS

AFZO WEBINARS

04

THEMES

+200

PARTICIPANTS

06

EXPERTS

AFZO

4TH ANNUAL MEETING

November 18th - 20th, 2019 || ADDIS ABABA, ETHIOPIA



SPECIAL ECONOMIC ZONES: ACCELERATOR FOR INDUSTRIALIZATION IN AFRICA



AFZO Annual Meeting is the annual meeting of Africa Free Zones Organisation that brings together government representatives, international experts and senior executives to offer broad insights on critical issues related to the development of Economic Zones in Africa.

Through this initiative, AFZO provides its members a unique opportunity to develop networking, build strong business alliances and access to key international decisions makers.

EVENT OBJECTIVES

- Developing connections within Economic Zones ecosystem.
- Promoting knowledge sharing.
- Enhancing and sustaining relationships between African Special Economic Zones communities.
- Strengthen bonds and foster collaboration between AFZO members.



Co-organized with the African Union Commission (AUC), the 2019 edition of AFZO's annual meeting took place in conjunction with Africa Industrialization Week on November 18th – 20th 2019, at the African Union Headquarters, Addis Ababa, Ethiopia. Entitled "Special Economic Zones: Accelerator for Industrialization in Africa", the event recorded attendance of distinguished guests representing upstanding African authorities, international institutions, as well as public and private organizations. Over 220 delegates attended this edition that represented an ideal opportunity to discuss Economic Zones' development models. The speakers highlighted the importance of strong logistics and connectivity for capturing the spill over benefits of zones investment and enabling local/ regional supply chain linkages



AGENDA

DAY 1 - NOVEMBER 18TH, 2019

- 18:00 - 20:00 AFZO GET TOGETHER

DAY 2 - NOVEMBER 19TH, 2019 | AFRICAN UNION HEADQUARTER

- 08:30 - 09:00 REGISTRATION
- 09:00 - 10:00 WELCOMING REMARKS AND INTRODUCTION
- 10:00 - 11:15 CONFERENCE 1 : INDUSTRIAL DEVELOPMENT WITHIN SEZ IN AFRICA
CHALLENGES & POLICIES TRENDS KEYNOTE AND EXPERTS ROUND TABLE
- 11:15 - 11:30 COFFE BREAK
- 11:30 - 12:45 CONFERENCE 2 : AFRICAN ECONOMIC ZONES AT THE ERE OF CLUSTERING
& INNOVATIVE FINANCE KEYNOTE AND EXPERTS ROUND TABLE
- 13:00 - 15:00 LUNCH BREAK
- 15:00 - 17:00 MEET THE EXPERT
 - SESSION 1 : TRADE AND LOGISTICS CLUSTER TO ENABLE GREATER CONNECTIVITY
 - SESSION 2 : 4TH INDUSTRIAL REVOLUTION WITHIN SEZ IN AFRICA :
TRAINING & CAPACITY BUILDING

DAY 3 - NOVEMBER 20TH, 2019 | AFRICAN UNION HEADQUARTER

- 09:00 - 12:00 AFRICA INDUSTRIALIZATION DAY - OFFICIAL CEREMONY

PARTNERS

TANGER MED



Deloitte.



BUROHAPPOLD
ENGINEERING



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT





Richard BOLWIJN

Head of Investment Research, United Nations Conference on Trade and Development (UNCTAD)'s Investment and Enterprise Division

"There are 3 main challenges for SEZ development which are sustainability, digitalization and Industrial Revolution, and changing pattern of international trade and production. SEZs are becoming more expensive to set up so financial and fiscal performance metrics and models should be more sustainable".

Edlam YEMERU

Chief, Urbanization Section, Social Development Policy Division, UNECA, Addis Ababa

"Rapid but poor urbanization due to structural barriers can hold back benefits of Investment in SEZs, especially spillover benefits of zones. Intersectoral coordination and economic and spatial planning is crucial to improve productive linkages between Industrialisation and urbanization in Africa".



Banji OYELARAN-OYEYINKA

Senior Special Advisor on Industrialisation, African Development Bank Group

"The AfDB Group, which launched its Special Agro-Industrial Processing Zones initiative, has several programs in place to address the funding side issue and is committed to increasing agri-business to shift from raw exports to processed high value products across Africa".

Inge BAUMGARTEN

Director, GIZ, German International Cooperation' African Union Liaison Office

"The AfCFTA will be a game changer and will create a new way of doing business in Africa. SEZs will play key role in this movement. Multi-country and cross-border SEZs have positive impact on the connectivity of SEZs and hubs created in the country. Linking SEZs across Africa is important to create integrated value chains to capture larger markets".



Moubarack LO

Chief Economist and CEO of Prospective Economic Office

"Inclusion of SEZ in national strategies need an integrated planning. Following up every year, with periodic monitoring and evaluation of SEZs, have a quality stakeholder engagement and coordination".

Aurelia CALABRO

Regional Director and Representative of Ethiopia, UNIDO

"National vision and macro-economic policies are needed to develop clusters around SEZs. Industrial Parks should be considered as a tool of industrialization and included in the national vision, following a systemic approach integrating the public sector, R&D and management skills".



“ Souad EL OUAZZANI

Director, Public Sector Services, Deloitte Africa

“Cluster approach in SEZs should consider some common challenges for clustering. “Access to suitable land/space limit firms’ choices and mobility. Lack of managerial skills, weak link to universities and outside support for SMEs are the major limits to cluster growth. National reforms are needed to set up enabling environment and target managerial skills to improve profitability of clusters”.

Oluranti DOHERTY

Head of Export Development,
African Export-Import Bank



“Early stage financing for establishment of SEZs through technical and feasibility studies is crucial as governments lack capacity in Africa. To address competition, governments need to have the right industrial policies in place. To this end, capacity building is fundamental to support upskilling government agencies in developing policies as policy makers do not necessarily know what the best practice are”.



“ Christopher MARKS

Director, Head of Emerging Markets Corporate Banking EMEA, MUFG

“SEZs should use money from development finance (DF) for renewable as signal to attract investors and create a competitive environment while achieving fundamentals. Sovereign risk in Africa makes private finance attraction very difficult. However, guarantee programme launched by DF institutions is fundamental for Africa. Partners are crucial to build legitimacy and achieve vision, plans and scale of impact”.

Dominique LAFONT

Senior Advisor to KKR and BCG & CEO,
Lafont Africa Corporation



“Regional spill over impacts requires a strong logistics provision. To unlock markets, both logistics & non-logistics prerequisite need to be considered. Then, SEZs can flourish as a 2nd locomotive to attract FDI, & regional market can multiply value. By enhancing the logistics environment, SEZs help attracting international investors, eager to leverage economy of scale. For investor, regional market access is essential to manage political risk. Entry point, transport corridors & the zone proposition are the main locomotives for growth. Investors look at the fluidity ranking of trade’ corridors to set up in SEZs”.



“ Adarsh VARMA

Associate Director, Burohappold Engineering

“SEZs value proposition can be tailored to zone/site features, sector requirements and investor preferences. In addition, the package of incentives, including non-fiscal incentives, could have a greater impact on zone performance, while feasibility studies using integrated planning and economic frameworks could improve internal coordination to implement zones”.

AFZO

REGIONAL WORKSHOPS

WORKSHOP 1 March 27th, 2019



THE IMPACT OF SEZ IN ACHIEVING SUSTAINABLE ECONOMIC DEVELOPMENT IN AFRICA



**LIBREVILLE
- GABON -**

TOPICS:

The Regional Workshop sessions covered relevant topics related to trade and Industrial development in Africa, with focus on:

- The Contribution of Economic Zones to the Industrialization and regional trade development
- Implementing “Green Zone” Policies within African Economic Zones





Mr Adarsh VARMA

Associate Director, BuroHappold Engineering

Mr Varma showcased evidence of SEZs performance in the development of regional trade and promoting exports. He underlined the role of regional trade regimes, and pointed out the importance of an attractive incentive framework to stimulate investments implementation within SEZs

Mr Sand MBA KALU

Executive Director, Africa International Trade and Commerce Research Ltd -AITCR-



Mr Mba Kalu highlighted the remarkable window of opportunity that SEZ are representing to foster Africa's economic sustainable advancement, especially with the coming into force of the AfCFTA Agreement. He shared successful stories that enabled sustainable industrial development.



Mr Jacques FIORELLA

Managing Director, Furukawa Electric

Mr Fiorella made a short presentation on Furukawa' investment in Africa. He emphasized the contribution of Economic Zones to attracting industrial investment through comprehensive incentives schemes, advanced logistics and trade facilitation.

Mr Dauda FODAY SUMA

Senior Industrial Advisor,
Global Green Growth Institute - GGGI -



Mr Foday Suma highlighted the importance of implementing "Green Zone" policies. He presented the benefits of resource efficiency as major catalyst to sustainable growth. He also stressed policy instruments for resource efficiency and cleaner production in industries.



Mr Ahmed BENLARABI

Head of PV systems, Research Institute for Solar Energy and New Energies - IRESEN -

Mr Benlarabi shared the experience of the IRESEN in R&D in solar and renewable energies projects. He described the opportunities for SEZs in applying Energy Smart Management, Grid stabilization, Renewable energy supplies capacities and Energy consumption optimization.

SITE VISIT – NKOK SEZ

As part of the program of the AFZO Workshop held on March 27th, 2019, in Libreville, Gabon, the participants visited the Nkok Special Economic Zone. The opportunity to appreciate the progress that has been made, including the One Stop Shop office. They were also in a wood manufacturing facility.



AFZO

INTERNATIONAL WORKSHOPS

WORKSHOP 2 June 25th, 2019 WFZO



AFRICAN SPECIAL ECONOMIC ZONES CHALLENGES



**AICE 2019
BARCELONA, SPAIN**

Africa Free Zones Organisation led a delegation to attend the 5th Annual International Conference and Exhibition of the World Free Zones Organization -WFZO- (AICE2019) held on June 25th, 2019, in Barcelona, Spain. The program included a dedicated session discussing African SEZ challenges.

As part of the program, AFZO led a dedicated session discussing African SEZ challenges.



AFZO took part in the closing session' work.



The AFZO Exhibition.

AFZO

REGIONAL WORKSHOPS

WORKSHOP 3 December 19th, 2019



ECONOMIC ZONES DEVELOPMENT IN AFRICA: GENERAL FRAMEWORK & STRATEGIC ORIENTATIONS



LOMÉ
-TOGO-

TOPICS:

- Best practices on legal, fiscal and institutional framework
- Development strategy and attracting FDI
- Financing Issues and public policy support
- Business models and main stakeholders of EZ
- Rules for success of SEZ
- Perspectives of Togolese SEZs



Craig R. GIESZE

Esq., Senior Private Sector Specialist, Macroeconomics, Trade & Investment at the IFC, World Bank Group

Mr R. Giesze, Esq. underlined that Togo's SEZ Bills still offer an opportunity to reform the legal and institutional framework, in order to comply with international best practices, including those of ECOWAS. A new policy aimed at establishing a new generation of Economic Zones in Togo could help to attract more FDI and better fight poverty in the country.

Dorsaf ZANGAR LABIDI

Manager, Industrial Development Division, Industrial & Trade Development Department at the AfDB



Ms. Dorsaf Zangar Labidi explained the AfDB's approach to support SEZs, based on 4 prioritization criteria. These are the economic and social impact, the macroeconomic and regulatory environment, the business model and financial viability, as well as the value proposition.



François SERRES

Senior International Expert at the UNIDO

Mr Serres highlighted the importance for SEZ funding models to be structured around an economic development project; hence the role of strategic thinking. He also focused on the need for regulating SEZs separate from their administration / management.

Moubarack Lô

Chief Economist and CEO, Prospective Economic Office of Senegal



Mr Moubarack Lô presented the rules for success of SEZ, which would allow them to actively contribute to achieving the objectives set by several African countries in their ambition of emergence in the medium or long term.



Photo souvenir with the Minister of Industry, General Director of Togo Invest & Generale Manager of SAZOF

AFZO

WEBINARS

SESSION 1 February 12th, 2019



DEVELOPING COMPETITIVE ADVANTAGE: MAIN DRIVERS TO ATTRACT INVESTMENT WITHIN SEZ



Moderated by



Mr John RUTHERFORD

Managing Director of John Rutherford Consulting



47 Participants representing
25 Countries

MAJOR HIGHLIGHTS:

Mr John Rutherford shared his expertise on developing competitive advantage and the main drivers to attract Investment within SEZ, with focus on:

- Securing distinct competitive advantage through each stage of the investment process
- Expected results from both company targeting and FDI promotion activities
- Weighting key factors in the location selection process.

SESSION 2 May 8th, 2019



FDI WITHIN SPECIAL ECONOMIC ZONES, AN INSTRUMENT FOR ECONOMIC DIVERSIFICATION IN AFRICA



Moderated by



Mr Charles UGHELE

Chief Representative at GDP Global Development



25 Participants representing
20 Countries

MAJOR HIGHLIGHTS:

Mr Charles Ughele highlighted the importance of FDI within SEZs as an Instrument for Economic Diversification in Africa, with a focus on:

- Key challenges and how SEZs can help African countries
- Visioning SEZs and Investor' location selection criteria
- What African Governments should do and what to avoid
- Key success factors of SEZs

SESSION 3 July 25th, 2019AFRICAN ECONOMIC ZONES
BETWEEN THEORY AND PRACTICE

Moderated by

Mrs Saskia MÖSLE

Economist, Kiel Institute for the World Economy

 46 Participants representing
25 Countries


Special guest

Mr Steffen FELIX

Private Sector Development Adviser, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

MAJOR HIGHLIGHTS:

Mrs Saskia Mösle shared a Kiel Institute study regarding African Economic Zones between Theory and Practice. She pointed out:

- The potential and challenges of SEZ in Africa
- Static and dynamic economic effects of SEZs
- Risk and success factors for SEZs

Mr Steffen Felix highlighted the role of GIZ in supporting African SEZ initiatives, through reforming the economic environment, international exchange, research and sustainability.

SESSION 4 September 11th, 2019INDUSTRY 4.0: NEW CHALLENGES
FOR ECONOMIC ZONES IN AFRICA

Moderated by

Mr Douglas VAN DEN BERGHE

Vice President, Conway Advisory

 60 Participants representing
28 Countries


Special guest

Mr Richard BOLWIJN

Head Investment Research Branch,
Investment & Enterprise Division, UNCTAD

MAJOR HIGHLIGHTS:

Mr Douglas Van Den Berghe shared his expertise on how the Industry 4.0 is representing new challenges for Economic Zones in Africa, with focus on:

- The impact on Business Models and the future of FDI
- Matching the local value proposition with target industries and sectors that pose the most promising investment opportunities due to disruption of the 4IR.

Mr Richard Bolwijn highlighted trends of economic zones around the world, resulting challenges and future opportunities.

AFZO

ATLAS

After launching, in September 2018, the 1st version of AFZO ATLAS, which is the first dedicated Economic Zones Atlas in Africa, the 2nd edition came out in October 2019 with new updates which include a comprehensive database entailing:

- Macro-Economic Data of African Countries: Population, Total GDP, Inflation, Total FDI, Importations & exportations, etc.
- AFZO Partners: Key information about AFZO members and partners, the authorities and institutions in charge of investment promotion and Economic Zones development across the African continent.
- Investment Highlights: Fiscal incentives, customs procedures, regulatory framework, etc.
- Regulation and Laws updated: Economic Zones Laws and special regimes in favor of Investment promotion.
- Special Economic Zones: Identification of Special Economic Zones across the continent with detailed information about location, surface area, number of companies, total job created, main activities, Industry development, etc.

189
ECONOMIC
ZONES

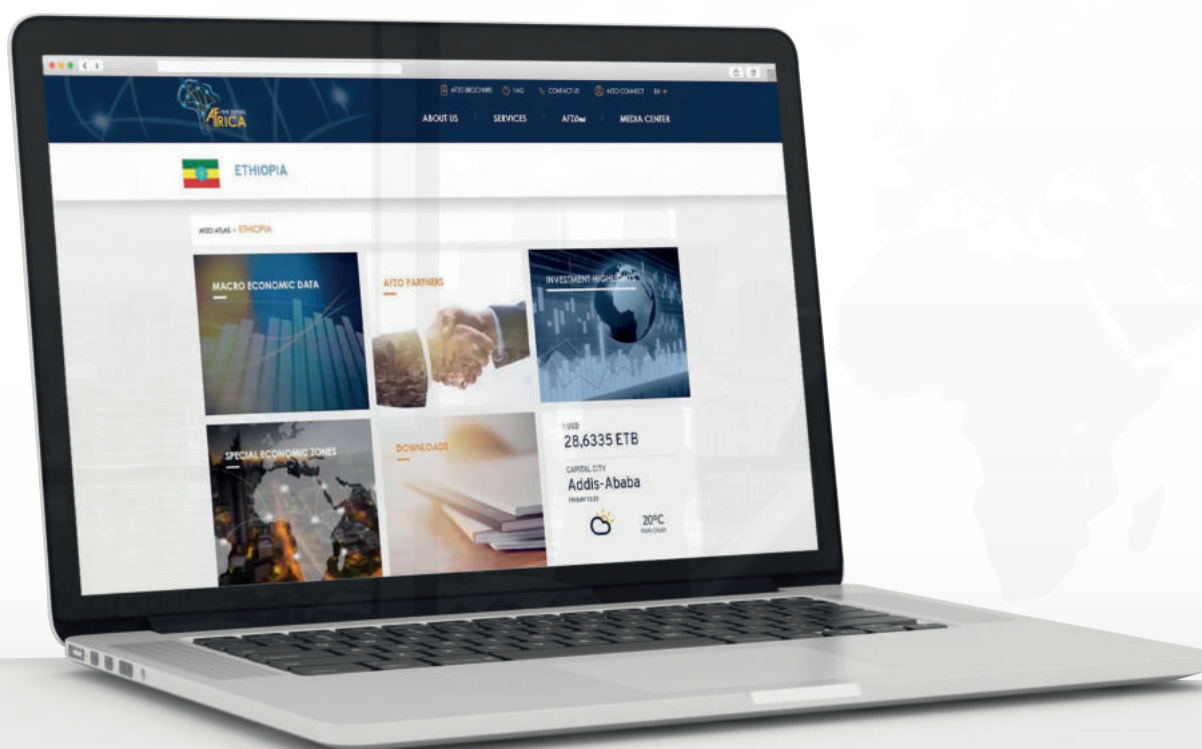
57
ON-GOING
PROJECTS

54
COUNTRIES



Exclusive Online access to members

Distributed during the AFZO 4th Annual Meeting



AFRICAN ECONOMIC ZONES

OUTLOOK

The African Economic Zones Outlook is a comprehensive report containing exhaustive information about Special Economic Zones in Africa, presenting main data linking SEZ performance to country performance, the best practices and highlighting the SEZ Business Models and main Stakeholders.

This report demonstrated the link between SEZ performance and country's policies for exports promotion, FDI attractiveness and jobs creation, highlighting key trends and reasoning for the findings. The main objective is to infer the role of SEZs in the macro economic performance of the countries. It offers a census of best practices in Africa, with a high level comparative benchmarking to show the achievements and success factors for selected zones. The objective of the benchmarking exercise is to draw out some key lessons learnt, especially for upcoming zones, and determine the key ingredients in a successful SEZ site.

AFZO Outlook presents also the main Business models identified in Africa in which SEZ operate, reviewing the type of SEZ institutional and delivery model (public, private, PPP) and linking it with zone performance data to see any correlations and lessons learnt. The main objective is to qualitatively review the evolution of business models across zones and over time; and impact on zone performance.



(Distributed during the AFZO 4th Annual Meeting)

AFZO

CONNECT

AFZO Connect is an Exchange Platform aiming to provide the SEZ Community a secure and interactive online platform that facilitates information sharing between African Economic Zones managers. It aims to build bridges between the community to enable the creation and maintain of strong connections, through enrichment of the digital communication content and encouraging permanent exchanges.

12

PRESENTATIONS IN 2019
22 IN TOTAL

10

REPORTS IN 2019
15 IN TOTAL

06

ARTICLES IN 2019
10 IN TOTAL



AFZO

ON MEDIA

THEY ARE TALKING ABOUT US...

AFZO events are widely reported in the international media. This is the case of the Organization's Annual Meeting, which is its flagship event and is globally covered, and the Regional Workshops, which welcome government officials and provide an opportunity to shed light on African Economic Zones challenges.

AFZO is recognized by the media as the reference for African Economic Zones development.

“ OVER 320 MEDIA FROM 75 COUNTRIES
REPORTING AFZO ACTIVITIES IN 2019 ”

AFZO

NEWSLETTER

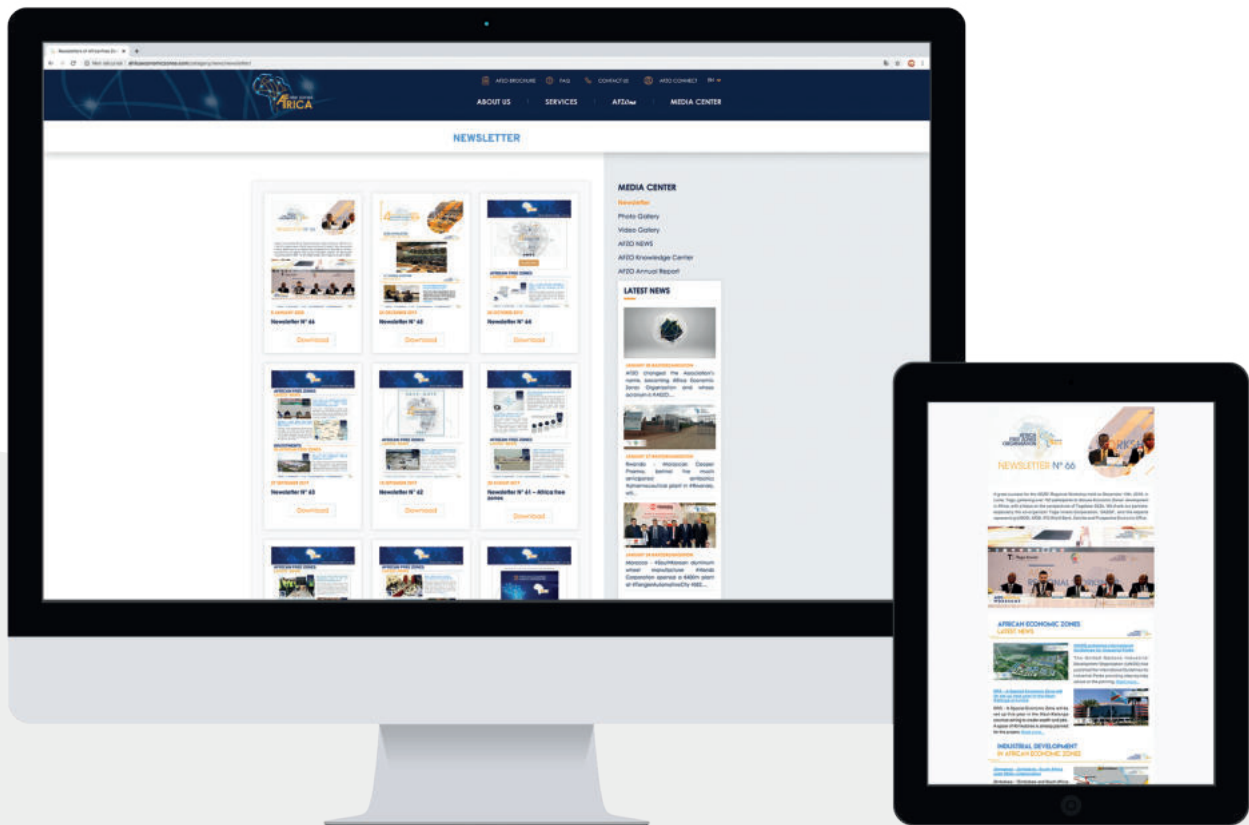
AFZO Newsletter is a weekly publication providing relevant, reliable and fresh information intended for leaders and decision makers, especially those concerned with Economic Zones as well as investment and industrialization topics on the African continent.

AFZO Newsletter focuses on the news of African Economic Zones and their ecosystems, and also that of AFZO, its members, partners, their events and highlights.

Editorially, AFZO Newsletter is structured into 4 main sections, which are:

- Latest News,
- Industrial Development in African Economic Zones,
- Investments in African Economic Zones,
- Video of the Week.

21
NEWSLETTERS
IN 2019



NEW

CHALLENGES FOR 2020



Economic Zones were adopted relatively late in Africa and most African countries did not operationalize their programmes until the 1990s or 2000s.

The use of Economic Zones as a generic term is very recent, with the objective to define it as “geographically delimited areas within which governments facilitate industrial activity through fiscal and regulatory incentives and infrastructure support”.

At the AFZO 2019 General Assembly, it was decided to change the name of the Association, which in 2020 became “**Africa Economic Zones Organization**” and whose acronym is “**AEZO**”. This rebranding is not simply a substitution of synonymous terms. It does reflect the growing development of zone-type models and consequent diversification that have arisen. A count carried out in 2019 listed no less than 82 different terms to designate zones, the majority of which are used in a single country. To further complicate matters, the same country may also use several different terms to describe similar types of zones in its legislation and promotion.

The reason for adopting “**Africa Economic Zones Organization (AEZO)**” is accurately reflect African context and fit to the aspiration of Economic Zones Leaders in the continent.

The adoption of the term “Economic Zones” is intended to be more encompassing than “Free Zones”, which no longer reflected the very wide variety of new “Zones”, especially those oriented towards specific technologies and new services (eg. health, tourism, security) and sustainable development. These include high-tech parks, science parks, science and technology zones, free economic zones, tourism development zones, green zones and safe zones, among others.



The resolutions were adopted during the AFZO 2019 General Assembly:

- I. General introduction from the president
- II. Presentation of activity report from the Secretary General
- III. The project of changing the Association’s name
- IV. Presentation of the treasurer’s financial report regarding the last financial year
- V. Business Plan and action plan for 2020-2021 and budget for 2020
- VI. Nomination of Togo Invest Corporation SA and Agence pour l’Aménagement et la Gestion des Zones Industrielles (AZI SA) as new members of the Steering Committee



SUPPORTING ECONOMIC ZONES DEVELOPMENT IN AFRICA



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