

Africa's Emerging Economic Partnership

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African Economic Outlook***

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Macro Views of Africa

- 53 countries
- 30.22 million sq.km
 - Average 0.57 million sq.km per country
 - (Sichuan Province at 0.48 million sq.km)
- Total population at about 1 billion
 - Average less than 20 million per country
 - (Xinjiang at about 20 million)
- The least developed continent in the world
- 2009 total GDP at US\$1.2 trillion
- GDP at about 2.3% of global total
- Expected GDP growth at 5% to 5.5% in 2010

Rich Mineral Resources

- 98% of chromium
- 90% of cobalt
- 90% of platinum
- 70% of tantalite
- 65% of manganese
- 50% of gold
- 1/3 of uranium
- Congo's coltan at about 70% of world's total
- Congo's diamond at about 30% of world's total
- Rich oil and gas reserves in Nigeria, Angola, North Africa, etc.
- Many mineral reserves in South Africa

High Fragmentation (I)

- Africa is a highly fragmented continent
- In addition to geographical divisions, major division lines along the former colonial administrations
- Such high fragmentation as a barrier to regional and Pan-African integration

High Fragmentation (II)

- Africa as the most highly fragmented continent in the world
- Major fragmentation lines along the former colonial administration lines
- African Integration as a goal

Major Bottlenecks in Africa

- Internal fragmentation
- Traditional reliance on former European colonial countries
- Lack of capital
- Lack of professionals and skilled workers
- Lack of infrastructure
- Insufficient Pan-African coordination
- Lack of Pan-African coordination and total solutions in aviation, railway, highway, navigation, telecommunication, power, etc.
- Lack of Pan-African financial platforms (e.g. stock markets, commodities markets, etc.)
- Lack of total solutions based on Pan-African model

Major Transition: Challenge

from Fragmentation

to Integration

Promoting Pan-African Cooperation and Integration

- Aviation
- Railways
- Highways
- Energy and power
- Logistics
- Telecommunications
- Commercial and business
- Financial services
- Etc.

Special Pan-African Projects

- Franchise operations
- Start from capital cities first, then branching into other cities and rural areas
- Maximize participation by various African countries
- Each participating country will be a winner, but the whole franchise will be more valuable than its constituting pieces
- Win-win situation
- Exit strategy: IPOs, etc.

Pan-African Financial Services

- Stock markets?
- Commodities markets?
- Gold markets?
- Environment exchange market?
- Pan-African credit cards?
African Bankers Club?
- African PE Association?
- Etc.

Pan-African Infrastructure and Transport Services

- Pan-African airlines?
- Pan-African Airport Management Co.?
- Pan-African Railway Co.?
- Pan-African Railway Co.?
- Pan-African Transportation Co.?
- Pan-African Power Co.?
- Pan-African Logistics Co.?
- Etc.

Commercial Services

- Pan-African emergency services (ambulances, helicopters, hospitals, blood banks, etc.)?
- Pan-African super markets?
- Pan-African commodities wholesale network?
- Pan-African membership-based franchise services?
- Etc.

Contribution by Other Countries

- Financial assistance
- Business assistance: setting up various business models and platforms
- Assistance in planning, design, execution, management and operation
- HR training
- Logistics support
- Etc.

Participation by Other Countries

- China, India, Brazil and other countries can participate in such Pan-African business arrangements
- The key is to look at Africa as a whole and build capacities and services based on the whole continent
- Strategic planning + commercial considerations
- Focus on Africa as a whole
- External assistance + internal execution
- Execution is the key
- Create win-win situations

Thank you very much!

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