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FEATURES

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What effect is the Covid-19 pandemic having on progress towards African integration and how will the AfCFTA benefit the process? **Dounia Ben Mohamed** poses questions to **Paulo Gomes**, Co-President of the AfroChampions Initiative, which brings together pan-African institutions and private groups driven by the desire to accelerate the economic integration of the continent.

“Let us make the most of this crisis to implement the AfCFTA”

INTERVIEW PAULO GOMES, CO-PRESIDENT, AFROCHAMPIONS INITIATIVE

What's your analysis of the impact of Covid-19 on Africa?

I think that Africa has never been diagnosed quite so much in such a short period as during this current lockdown and the coronavirus crisis. However, a lot of these diagnoses have been based on parameters that pre-date Covid-19. This means that we have not looked at the crisis from the right angle.

I think this is a crisis which will cause a series of other crises, the parameters of which are as yet unclear. This will doubtless involve the first recession in Africa in a quarter of a century, and growth, while it was not exactly phenomenal, will be stopped dead in its tracks.

They say the biggest risk when flying is at take-off – once the plane has reached cruising speed, the risk is over. In Africa, we were all in take-off phase and this crisis is going to knock the plane out of the sky, with a recession and a possible depression towards the end of the year. So, it is a worrying situation. But there are two sides to every crisis – the concerns and the opportunities.

What do you think of the measures taken by the pan-African institutions and individual governments to limit the damage? I am worried, because a crisis of this nature cannot be tackled country by country with quickfire measures. Even if we have to try to control the spread of a virus that we don't know much

about, we can only properly address it from a regional point of view. All these announcements by individual countries will not be enough given the huge stakes.

I was expecting a more regional approach. That's what the AfroChampions Initiative intends to propose to the West African Economic and Monetary Union. We have been included on the health front as co-sponsor in order to mobilise the private sector for the Covid-19 Response Fund. At the African level, we will see what happens. But there is a de facto lack of coordination, especially financial, as there is nobody running the show.

At the international level, we also risk wasting time on the issue of debt. As a former Executive Director of the World Bank for Africa, I believe that this should not be the starting point for organising the fight against this pandemic.

Firstly, the amounts we are talking about are not enough for the lower income countries and would not resolve the issue of liquidity. Above all, it would not settle the problem of failed businesses and SMEs that the crisis will bring about.

Given the situation, what about the AfCFTA, which is supposed to come into effect in July? Is this crisis an opportunity to speed up the process?

Absolutely. The AfroChampions Initiative has issued a series of recommendations in favour of setting up the AfCFTA. What we have to do now is make the

most of this situation to accelerate its implementation. Because this crisis clearly shows the extent to which we are dependent we are on the outside world.

We have been badly hit by the crisis, which has revealed our inability to meet even the most basic needs, such as protective masks. It's an opportunity for Africa to resume its industrialisation and also to think about how to feed itself, by developing its agribusiness sector.

Even if today's crisis is a health crisis, who knows, with climate change, what scourge we will have to face tomorrow, if we cannot guarantee our own food supply. And if this crisis continues, in view of the problems with logistics, Africa could run out of rice, for example.

This is an opportunity to reduce this industrial dependence. The AfCFTA is even more important today and the momentum is there, we just have to get organised, as it is more a question of organisation than political will.

To what extent will the AfCFTA encourage regional integration?

It encourages regional integration because the drivers of these exchanges will be part of a regional approach. At regional group level, we will see the creation of value chains for different industrial products because the movement of goods and people will be mainly within the regions, mostly by road. So, this regional integration will require infrastructure,

with a special focus on borders in order to facilitate this movement.

Not every region will go at the same speed. East Africa is currently the most advanced. For a long time West Africa led the way – especially with regards to a single currency. ECOWAS was more proactive, even in terms of defence, but with the withdrawal of Nigeria the process has slowed down. It will now very much depend on the return of Nigeria as a driver of regional integration.

Are you able to encourage this integration process through the AfroChampions Initiative?

We are an organisation, and organisations primarily consist of men and women. Our vision can only be fulfilled with greater integration and have been supporting this by being at the nexus of private sector and the African Union.

In terms of leadership, we have President Obasanjo, who throughout his presidency saw the importance of creating national champions, companies that could be globally competitive and help drive the industrial transformation of his country. And since the beginning, he was very clear about the need to have continental champions, or AfroChampions if you want.

I too, the Co-President of the initiative, previously sat on the board of EcoBank and advised on the creation of Asky. They have proven that it is possible to have pan-African entities with African shareholders and African staff.

We hope these will help galvanise others. But we also need to work collectively as nations: when we have Asky in West Africa, why does every country need to have its own airline. Let us collaborate and create a viable and sustainable regional airline.

You can say that we have been the implementing arm of the AfCFTA for the private sector. Before the crisis, we set up a fund for the purpose of mobilising the private sector. The very purpose of the fund that we were developing is to invest in companies with the potential to become champions.

We are now in this phase, albeit slowed down by the current situation. But in a little under two years we have made significant progress in ensuring the AfCFTA is aligned to the needs of the private sector and we have also managed to create a network of African chambers of commerce that will in turn help us to raise awareness, inform and continue to lobby the African Union to implement the AfCFTA. ■

