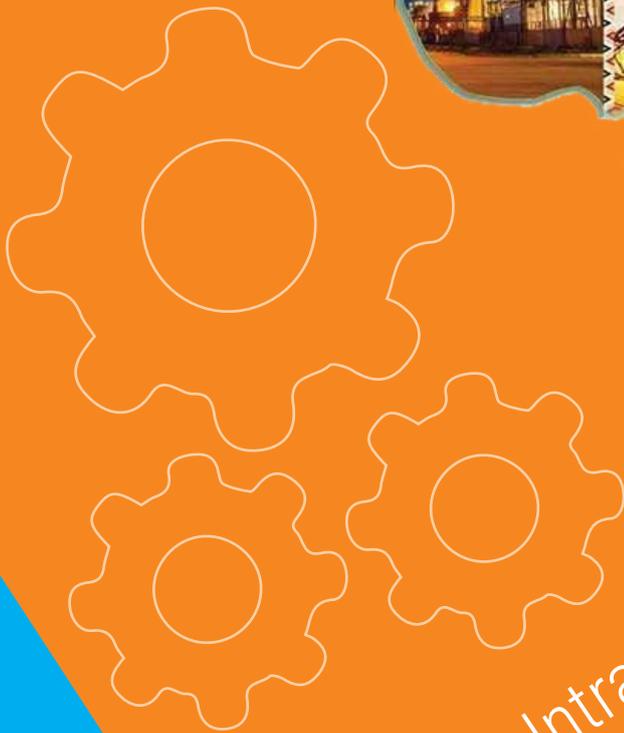
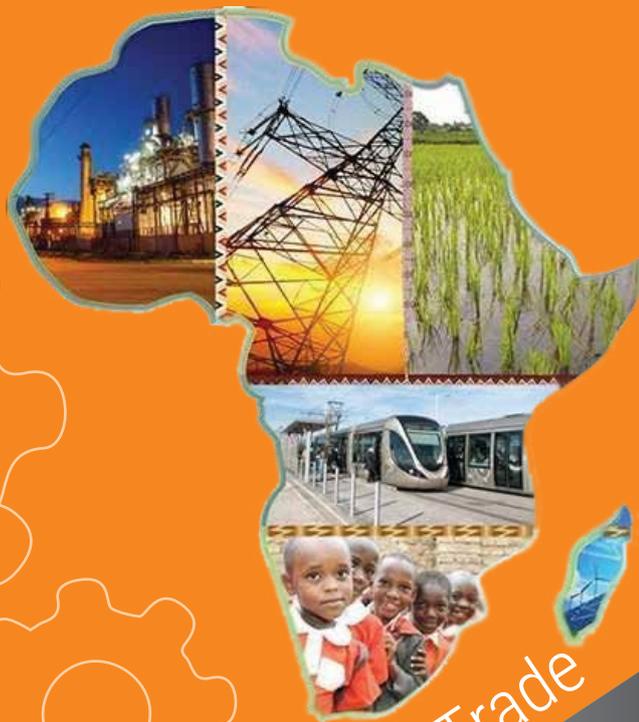


# CONVERSATION WITH **AFRICA!**



THEME: Intra African Trade

# REPORT 2019





THE  
BUSINESS  
KRAAL

IN COLLABORATION WITH



BUSINESSBOTSWANA

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# **CONVERSATION WITH AFRICA! 2019 REPORT**

**Theme: Intra Africa Trade**

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## EXECUTIVE SUMMARY

The **CONVERSATION WITH AFRICA 2019** event hosted by **THE BUSINESS KRAAL** in partnership with **BUSINESS BOTSWANA** took place on the 23rd April 2019 in Gaborone, Botswana under the *Theme, Intra Africa Trade*. The Inaugural event is a one-day engagement segmented in 3 activities: a conference, an exhibition and a networking cultural exchange cocktail.

CONVERSATION WITH AFRICA under the Theme: Intra Africa Trade has been motivated by several undertakings. Primarily by the recent adoption and ratification of the African Continental Free Trade Area (AfCFTA) Agreement by most African countries including Botswana. This is a historic step towards rationalizing Africa's regional trade arrangements to deepen economic integration and draw on economies of scale and development of regional value chains to accelerate the process of structural transformation of African economies. As a flagship project of the African Union Agenda 2063, THE BUSINESS KRAAL with its tag line "Leading Conversation, Africa Rising", continues to strengthen Botswana's trade with other countries and is passionate about Africa's Economic development.





## CONVERSATION WITH AFRICA EVENTS

### *objectives, the event aims at:*

- Gathering all development partners in their segmented groups to unpack matters that concerns Africa's development, discussions and debates geared towards African Economic development and Trade;
- Primarily discussing and exchanging on pertinent issues around economic growth in Africa as we shape Africa's conversations towards sustainable development with a theme that will table discussions around it;
- Being a platform that will influence policies through derived recommendations, platform that will influence the barriers from country to country, region to region to be identified and dismantled, a networking platform that will enable more trade relationships to be forged and business to business collaborations to.
- To become a movement that influences implementation and action towards what has already been committed i.e. signed agreements at continent and regional level;

The Private sector has realised that despite the African countries' determination to dismantle restrictions in intra – Africa trade and create a common market within the framework of regional and sub-regional agreements, barriers to intra-African trade persist, and continue to constrain the growth of trade, and intra-African trade in particular.



## THE CONVERSATION

The Conversation was officially opened by the Founder of THE BUSINESS KRAAL, Neo Tlhaselo, who welcomed the delegates and emphasized the significance of international trade to Botswana, role of the Conversation in promoting dialogue between stakeholders, being the government of Botswana, other countries and the private sector in identifying persisting impediments to the growth of trade.

BUSINESS BOTSWANA President Gobusamang Keebine, who did the opening remarks shared the role that Business Botswana could play in raising the country's profile therein. He implored delegates to participate actively in the deliberations in order to common solutions to existing challenges.

## CONVERSATION: INTRA-AFRICA TRADE

The Conversation was divided into three sessions, being (i) Trade among African countries, (ii) Africa as a Global Partner and (iii) Industrialization and Trade. Leading figures from the diplomatic community and foreign government representatives, local public sector and the business community participated on the panel discussions.





## 2. SESSION 1

**Subject matter:** TRADE AMONG AFRICAN COUNTRIES

**Moderator:** Neo Tlhaselo

**Panellists:**

- High Commissioner Kenya to Botswana H. E , Honourable- Mohamed Shidiye
- High Commissioner Nigeria to Botswana, H.E Umar Salisu
- Botswana Stock Exchange Head of Product Development Kopano Bolokwe

**Presentation:**

- Potential for Intra Africa Trade as well as the constraints for its realization.
- The implementation of integrated macroeconomic and sectorial policies, capable of fostering diversification and channeling investments to higher productivity activities.
- What needs to be done to further deepen and action economic integration.
- Export supply constraint, export competitiveness and diversification.
- Policies that need to go beyond liberalization to actual realization of the potential for trade and Regulatory cooperation as part of economic integration.
- Private sector voice and input.
- Capital Markets as a potential to break Intra Africa Trade barriers and what needs to put in place as African exchanges to offer investors better returns.
- Peace, unity and security issues.
- Is Africa harnessing synergies not only in mainstreaming trade liberalization efforts into each country's development strategy, but also in pursuing development friendly trade agreements with global partners to obtain broad and comprehensive market access?

**Discussions**

Panellists examined the potential for intra-Africa trade and the prospects of advancing regional economic integration through such trade realizing this potential and hence the effort to advance regional integration as well as the barriers as follows:

- Lack of product diversification, low trade complementarity among African countries and high trade costs perpetuate this situation.
- Poor transport and communications infrastructure and unreliable power are key constraints to Africa's ability to trade with itself and with the rest of the world.
- A lack of trade facilitation instruments, including trade finance, and the complexity of customs arrangements further impede intra-regional and international trade.
- The limitations in transport infrastructure in the form of road and rail networks and bridges and land and sea borders;
- Slow pace of implementation of Regional Trade Agreements (RTAs) and harmonization of trade-related

policies and regulations at the regional level.

Panellists agree that Intra Africa Trade is challenged by lack of complementarities of exports and imports as well as the relative competitive position of African potential export suppliers, as a result of weak infrastructure, productivity and trade facilitation. In short, the acute export supply constraint characterized the African export trade. They are of the view that this calls for an innovative approach to enhance intra-Africa trade and furthering regional integration, addressing the challenge of export supply constraint, export competitiveness and diversification. Policies need to go beyond liberalization to actual realization of the potential for trade through provision of regional and domestic infrastructure, harmonizing macro-economic policies, enhancing trade enabling institutions, developing trade facilitation as well as region. It is therefore crucial for African countries to address the barriers to regional trade and integration. Investment in physical infrastructure (roads, power plants,

ITC) is likely to generate the largest impacts on trade.

Greater political commitment to regional integration – as reflected in fuller implementation of tariff liberalization schedules and concerted efforts to tackle non-tariff barriers – and longer-term strategies to address export supply capacity constraints at the national level are also critically needed. These measures will help boost both intra-African as well as international trade since many of the constraints to intra-regional trade also affect Africa's capacity to integrate the global economy. Governments need to make sure that the environment allows private sector to thrive and industries to perform well for economic diversification to fully take place. The private sector should become more competitive, with quality products and improved services. Partnership with Government in the form of Public Private Partnerships (PPPs) should be explored to leverage on respective skills and capacities of government and private sectors.



*First session Moderator, THE BUSINESS KRAAL Founder, Neo Tlhaselo and panelists unpacking Trade Among African Countries*



Exchanges are well positioned to facilitate inter-Africa trade given their core mandate which is to mobilize growth capital and given that finance anchors trade. Generally, in any country well diversified companies, in terms of business streams and geographical footprint, are listed on stock exchanges. This speaks to the capabilities to capitalize the business and expand trade across borders.

In Botswana in particular, half of the domestic companies listed on the Botswana Stock Exchange (BSE) have regional and global footprint, and have their roots in Botswana where they started, and are listed on the BSE where they raised capital to fund their expansion and growth.

The BSE currently heads the Market Development Working Group of the African Securities Exchanges Association (ASEA) which is tasked with initiating development initiatives that can deepen capital markets across Africa, as well promoting SME access to African capital markets, adopting international best practices within African capital markets and attracting listings and investors. The BSE also chairs Committee of SADC Stock Exchange (CoSSE) and oversees projects such as interconnectivity of SADC stock exchanges and harmonization of regulatory frameworks across SADC. All these initiatives aim to position African stock exchanges as preferred destinations for global investment mandates, in the process promoting FDI inflows into African economies, enhance capital formation and ultimately fund inter African trading. This will expose both foreign and local entities to much diversified return profiles.

From an African perspective, what needs to be done is to harmonize the regulatory environment around capital market to promote the ease which each business can raise cross border capital for trade across various jurisdictions.



*Oyo State - Nigeria Governor His Excellency Sheyi Makinde*

## SESSION 2 SUMMARY CONTENT

***Subject Matter:*** AFRICA AS A GLOBAL PARTNER

***Moderator:*** Dr Thapelo Masheka

### ***Panellists:***

Ambassador of China to Botswana  
H.E Dr Zhao Yanbo  
Ambassador of Russia to Botswana  
H.E Victor Sibilev  
Business Botswana President  
Gobusamang Keebine  
Brastorne Enterprises Group Chief Executive Officer  
Martin Stimela

### ***Presentations:***

- Africa as a Global partner and what the scope of the partnership
- Is Africa an equal partner to the partnership and its performance?
- China and Africa partnership
- Russia and Africa partnership

### ***Discussions***

Africa needs to strengthen itself even more to work as a collective for it to become more competent and stronger to compete with large economies in the globe. As a continent it has not responded in a well-articulated, comprehensive, coherent and strategic manner, towards its global partnerships and this is one of the obstacles. This is compounded by the lack of coordination and competing positions between national interest and regional interest, weakening Africa's voice in its partnerships.

With the growing interest in the development potential of Africa and the expansion and fragmentation of the international field of operators, it is important that the following should happen:

- (i) Promote intra-African contact and networking for the benefit of Africa;
- (ii) cooperation with partners to promote economic diversification and sustainable development in Africa; and
- (iii) Africa's partners support the continent's integration into the global economy.

### ***China and Africa partnership***

China recognizes that both China and Africa share a common goal of development and are willing to



cooperate on an equal basis. Looking ahead, openness and cooperation will remain essential for continued human and economic progress. China and Africa, as close development partners, have been making remarkable progress in relations and cooperation.

There are two partnership mechanisms which have provided China and Africa with cooperation platforms for common development.

The Forum on China-Africa Cooperation (FOCAC), which was set up in 2000. Over the years, FOCAC has become the leading mechanism for China's ties with Africa and South-South cooperation. By 2018, China had become Africa's largest trading partner for 10 years in a row. To upgrade international cooperation in the age of profound transformation, China put forward the Belt and Road Initiative in 2013, simply put the BRI. This initiative inherits the spirit of ancient Silk Road and is basically about China's willingness to share its development opportunities with other countries to achieve common development across the globe.

### ***Russia and Africa partnership***

Today Africa is one of the emerging regions which economy and population is growing very rapidly. That is why, a lot of developed countries consider it as a continent of the future and a new strategic partner. Russian economic cooperation with African countries is not as far advanced as the political ties. However, it has improved for the past few years. Russian companies conduct exploration, develop oil and gas deposits, take part in national programmes to build gas pipelines and gas storage facilities, provide technical maintenance for hydroelectric power stations, as well as carry out feasibility studies for the construction of nuclear power plants and technology centres. Cooperation in high technology is also developing. There are good prospects for partnership in transport, industry and agriculture.



*Second Session, Dr Thapelo Matsheka moderating the second session, subject matter -Africa as a Global partner*



*Ambassador China to Botswana Dr Z Yambo*

Examples of productive cooperation on Africa include the following initiatives. ALROSA is involved in diamond mining in Angola's largest Katoka deposit and starts working in Zimbabwe after the official visit of its president H.E. Mr. Mnangagwa to Russia in January 2019, amongst others. In the field of Russian-Botswana relations, there is a possibility to launch the export of Botswana beef to Russia. The Russian side are also glad to see the African representatives at economic, investment and business forums in our country. The first Russia-Africa Business Forum will be held on October 23, 2019 followed by the respective Summit. Heads of state and government of most African countries as well as the regional organizations such as SADC are expected to visit Sochi to discuss the possible projects with the Russian Federation in different spheres of mutual interests. A wide range of representatives of political and business circles will be invited as well.



*Audience in attendance*



## SESSION 3 SUMMARY CONTENT

**Subject Matter:** INDUSTRIALISATION (YOUTH UNEMPLOYMENT, POVERTY ERADICATION, EMPOWERING WOMEN)

**Moderator:** Omphile Sehurutshe

**Panellists:**

Ambassador United States of America to Botswana  
Craig Cloud  
Botho University Pro Vice Chancellor  
Ravi Srinivasan  
Botswana Investment and Trade Centre Executive Producer  
Export Facilitation Trunklinah-Gabonthone

**Presentations:**

The discussion here focused on the prospects of industrialisation in Botswana and its implications for inclusive growth (with impact on employment, environment, women and youth empowerment and poverty eradication). The session looked key drivers of industrialisation, green industrialisation and the role of external partners in promoting industrialisation.

A survey was also carried out amongst the delegates to assess on a scale of 1 to 5 (highest), where they would rate Botswana in terms of achievement of industrialisation.

**Discussions:**

Respondents pointed out that Africa and Botswana could generally be rated between 2 and 3. It was noted that the Southern African Development Community (SADC) and the African Union (AU) had adopted Industrialisation as part of their development goals for the 21st century. However, it was also agreed that the pace of implementation of the industrialisation across Africa was not adequate. It was emphasised that there was a need for African countries to “walk the talk” by following through on frameworks and policies agreed to. It was also recognised that the broad trade frameworks, which would support the African states drive towards industrialisation, such as the AFTA had been agreed upon by the member states. This would create greater market access for small economies such as Botswana and provide the necessary impetus for industrialisation. The panellists and delegates emphasised the need for these international fora of not being mere talk shop but becoming a movement that influences implementation and action towards what has already been committed i.e. signed agreements at continent and regional level;

The panellists decried the way that blue collar professions are marginalised across Africa although they are the backbone of Industrialization. Emphasis was placed on the need to promote blue collar professions as viable career options rather than fall back options especially for the youth. In this regard, training institutions involved in development of such cadre of staff need to be integrated in planning for industrial development to ensure that the industries were well supported by well-trained technical staff.



*Ambassador United States of America to Botswana, Craig Cloud*

It was also pointed out that there was a need for political stability, the rule of law and legislative framework that will protect investor's properties and assets including the right to repatriate their profits.

There was a consensus that Industrialization may not in itself necessarily create employment especially in the era of the 4th industrial revolution. They however argued that if coupled with economic transformation across Africa through a deliberate move by African governments to trust, empower and grow the private sector, industrialization will create sustainable jobs. Manufacturing is said to play a key role in the process of economic transformation that is required for high quality growth, job creation and sustained progress.

Respondents asserted that accelerating economic growth for Africa depends heavily on Industrialization and that Africa needs to move with speed in this direction and possibly further. African economies, they said, tend to be more 'protectionist' of certain industries in the economy which has resulted in huge debts and production inefficiencies. It was also stated that the industrialisation strategies adopted should factor in the Fourth Industrial Revolution (4IR) to establish a careful balance between efficiency and employment creation. It was argued that coupled with economic transformation across Africa through a deliberate move by African governments to entrust, empower and grow the private sector, industrialization will create sustainable jobs. Manufacturing is said to play a key role in the process of economic transformation that is required for high quality growth, job creation and sustained progress.

The Ambassador of the United States said that there is evidence that developed economies, including the United States, are prepared to support Africa in driving industrialization that is less harmful to the environment. This would also include preferential trading arrangements such as African Growth and Opportunities Act (AGOA) and bilateral trading agreements which facilitated access to the US market for African industries.



*Third Session, Mr Omphile Sehurutshe (C) moderating the third session, subject matter -Industrialisation (Youth Unemployment, Poverty Eradication ,Empowering Woman)*



## AUDIENCE

A total of 160 development partners attended the Inaugural Conversation. These included Diplomatic community accredited to Botswana, Members of Parliament from Nigeria, Governor from Oyo State Nigeria, Senior Government officials in Botswana, Private sector locally and regionally, Youth Entrepreneurs, Academia, Diaspora committee representatives and members of media. Over 10 companies exhibited to showcase their products and services



*Professor Shangodoyin, University of Botswana*



*Nigeria Private Sector In Attendance*



*Ambassadors, High Commissioners and Private sector In Attendance*

## RECOMMENDATIONS

The following are the recommendations derived from the conference as development partners:

1. It is considered that the stakeholders, being governments and private sector must promote international trade as a policy priority;
2. As a policy measure, the governments and trading partners must aim to reduce both tariff and non-tariff bearers in regional and continental groups;
3. Deliberate efforts must be made to enhance infrastructure, such as transport and energy to support trade and industry;
4. Regional integration efforts, which promote freer trade and collaboration in cross-border projects must be supported
5. Improve trade facilitation by streamlining border processes and controls to ease the flow of traffic across international boundaries
6. Must enhance the role of financial institutions in developing capital markets and their integration across the continent to facilitate the mobilisation and movement across borders thereby promoting south-south foreign direct investment;
7. Innovative financial instruments must be developed to support trade and development projects;
8. Business-friendly policies must be encouraged to encourage and attract foreign direct investment from outside the region and Africa;
9. It is necessary to promote dialogue between the public and private sectors at national, regional and continental level with a view to identify trade impediments and policy measures that promote trade and investment.
10. Further research must be carried out to assess the impact of impediments, and the possible remedial effect of trade policy measures.
11. The Business Kraal and Business Forum must continue these policy dialogues to address priority areas interested to business community. Other areas of potential interest include Small Business Development, Public Private Partnerships, Financial Services



## CONCLUSION

The Conversations with Africa inaugural Conference has brought together leading lights in society in Botswana and other eminent guests from outside of Botswana to interrogate a public policy issue of priority interest at this stage of geopolitical development of Africa.

The focus of the conference on trade reflects the contemporary challenges of promoting international trade at regional, continental and global level in a rapidly changing global economic environment. Some regional groupings are reviewing, consolidating and expanding their mandates, while others are disintegrating. The multilateral system of international trade is being challenged. However, the free, open and expanded trade remains a viable approach to enhance economic growth and promote economic and social inclusiveness across the globe and in Africa, in particular.



*Gabz Fm Journalist interviewing one of the attendant*



*Exhibitors*



## ACKNOWLEDGEMENTS

### *Sponsors*





## VOTE OF THANKS

The vote of thanks was delivered by Honourable Phandu Skelemani, former Foreign Minister of Botswana. Mr Skelemani applauded the organisers, presenters and participants for a job well done in delivering a successful inaugural conversation, and setting direction for the development efforts of the continent.

“everyone who has made this day a success deserves mention, the visionary THE BUSINESS KRAAL and its Co-host partner BUSINESS BOTSWANA, sponsors, working team, participants from across borders and locally. Let us not be spectators, let us move and shape our continent to build a better future for ourselves and future generations.

In our African culture we believe that sitting down and having discussions, or debates, as long as it is meaningful, you may agree and disagree as well, but talks have always brought issues forward and solutions, which I believe this conversation has brought”

*Phandu Skelemani*



## HOSTS COCKTAIL REMARKS

We are very honoured to have such a highly esteemed participation of development partners both locally, regionally and globally who contributed to the Key subject matters which were unpacked today being Trade among African countries, Africa as a Global partner and Industrialisation as we spoke to the inaugural theme “Intra Africa Trade”.

The entire objectives and what we seek to achieve from the first inaugural event was shared in my welcoming remarks this morning and Rre Keebine the President of Business Botswana’s opening remarks. We are very delighted that we achieved beyond what we had initially targeted. The morning, rich conversation, unearthed matters in need of urgent attention and action with clear and sound utterances in the simplest manner, above all realistic and actionable solutions. Another worth acknowledging is the fact that there was a balance and audible voice from all segmented groups of the development partners present in this event being, African and Global Governments represented by Excellency’s respectively, Private sector and public sector locally and regionally.

CONVERSATION WITH AFRICA 2019 inaugural event has been set today at a very high note, this will not be a talk show but a platform and movement of influence for action. CONVERSATION WITH AFRICA will be hosted annually moving forward, in Botswana and an extension of the conference in another African country annually.

CONVERSATION WITH AFRICA a Pan African Brand which will circulate in various African countries. We intend to host a press conference in August as we share details for 2020 plans.

I would like to invite local, regional and global Organisations and corporations to partner with us in the next CONVERSATION WITH AFRICA

2020. We are as ready as yesterday to cement partnerships for the next hosting, already I am delighted that there are already proposals expressed after the success of the inaugural conference by attendants representing various organisations

We continue to have Business Botswana as our collaborative partner for the year 2020. I thank all development partners who contributed to the success of the inaugural conference.”



*Neo Tlhaselo*  
*Founding Director THE BUSINESS KRAAL*



## COLLABORATIVE PARTNER CO-HOST BUSINESS BOTSWANA Remarks

Mr Gobusamang Keebine

President, Business Botswana

“We are happy that all went well today, we believe that this platform has a great potential to foster Private sector development and more engagement for private sector to have a voice as the spear headers of trade. I would like to propose a toast to the success of the inaugural event as we look forward to 2020 to make it bigger and better, Cheers!”

Collaborative partner, Co-host-Business Botswana  
(Gobusamang picture)



*Mr Gobusamang Keebine, President, Business Botswana*





**Statements captured**



*Kenya High Commissioner to Botswana*

*Africa has a lot of potential; Africans wellbeing should come first and that is the bottom line.*

*“Oyo State is open to do business with Botswana and Africa*



*Governor-Oyo State*

*I am very happy that we have been able to be a part of this wonderful great initiative, indeed it is time that Africa reaches its main potential and work together for common goal*



*VC and Managing Director  
Botho University*

*This event will be hosted in Botswana and circulated in African countries annually, it will be a movement that will influence policy makers, bring business communities together and motivate change*



*Neo Tlhaselo*



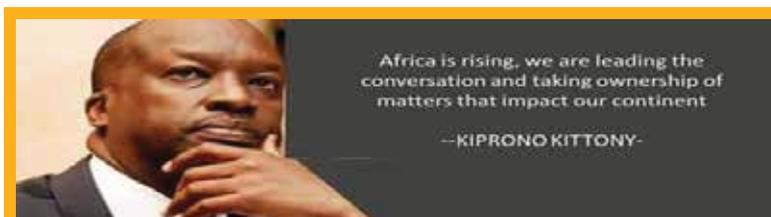
“  
*Media has to play a role to promote Africa through good story telling about Africa, there is fear of Africans to travel to each other’s countries because of what is shared in media reports, fear factor needs to be dealt with*  
”

*Truncklinah Gabonthone BITC*



*“South Africa has been and continues to be open to trade with Africa and the Globe”*

*MOTIVATION- By Vice Chair-International Chamber of Commerce ICC  
Former President -Kenya National Chamber of Commerce.*



# CONVERSATION WITH **AFRICA!**



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