



Outline of the presentation

- The relationship between Regional Integration and Investment
- Why Invest in EAC
- Country Profiles
- Sector Profiles/ Investment Opportunities
- Challenges of Investment Promotion in EAC



About EABC.



- The East African Business Council (EABC) is the apex body of business association of the private sector in East Africa.
- **Vision:** Our Vision is to become an effective change agent for fostering an enabling business environment for a diversified, competitive, export-led, integrated and sustainable economy.
- **Mission:** To promote Private sector's regional and global competitiveness in Trade and Investment.
- Relationship with EAC (East African Community), the EABC enjoys **Observers Status** in all relevant activities and institutions of the EAC MEMBERSHIP: Drown from all the 5 EAC partner states
- Membership has grown from 19 in 2004 to 140 by 30th June 2010

Membership Comprises:

- I.** Ordinary Members: Business Associations at the National level, including manufactures & employer associations; Chambers of Commerce and national apex bodies
- II.** Associate Members : Government institutions which directly facilitate the private sector as their clientele (e.g) Exports Promotion Boards, Investment Promotion Agencies, National Bureaus of Standard, Port Authorities etc.
- III.** Corporate Members: Individual companies in their own right and include both multinational companies and other regional companies – Large and Medium



The relationship between regional integration and investment

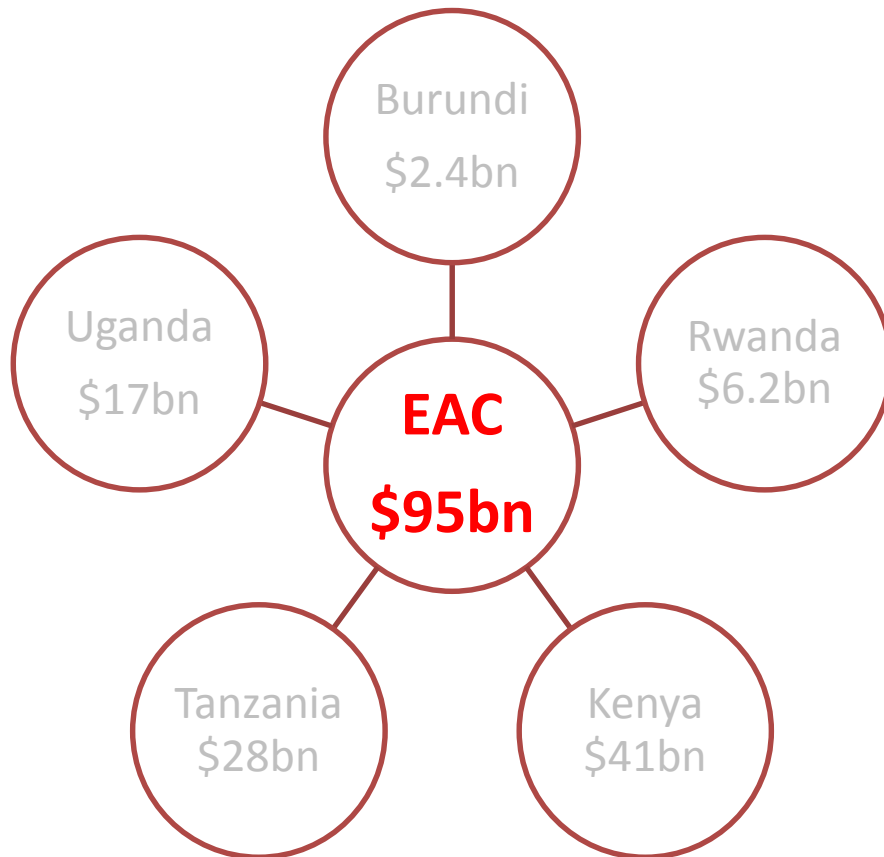


- Regional economic integration is essential for small and fragmented economies to realize its full growth potential, to participate in the global economy and to share the benefits of an increasingly connected global marketplace.
- During the last fifteen years, the East Africa Community (EAC) became one of the most integrated regional markets in Africa by launching the Customs Union, Common Market and the recently the Monetary Union Protocol



The relationship between regional integration and investment

- **Preferential Trade Agreements foster all kinds of investment...**
 - Natural resource-seeking
 - Market seeking
 - Efficiency-seeking
 - Strategic asset-seeking





Why invest in EAC

- ✓The world's fastest reforming region in terms of business regulation.
- ✓A fully liberalized economy without exchange or price controls.
- ✓Simplified investment procedures and one stop centre facility provided by national investment promotion agencies;
- ✓An attractive and comprehensive package of incentives offered to investors.
- ✓Strong partnerships, linkages and cordial working relationships between the government, private sector and development partners makes the region environment for investments to thrive.
- ✓Vibrant and upcoming capital and securities market.
- ✓High level of intra regional trade and cross-border investments.

GEOGRAPHICAL POSITION OF EAST AFRICA





Why invest in EAC..

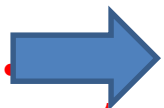
- ✓ Numerous investment opportunities traversing all sectors.
- ✓ A large pool of educated, trained, mobile, skilled and enterprising labour force.
- ✓ English is widely spoken. Rwanda and Burundi are bilingual (French & English).
- ✓ Insurance against non commercial risk by Multilateral Investment Guarantee Agency (MIGA) and Africa Trade Insurance Agency (ATIA).
- ✓ Stable political environment and high level of governance and democracy.
- ✓ Consumer loyalty
- ✓ Cordial hospitality and warmth of the people.
- ✓ One of the world's leading and most successful tourism, wildlife and safari destination



Opportunities and challenges ahead



- The EAC It has been among the fastest growing regional blocs in Africa in the past decade and has made much progress in harmonizing national policies in different areas: many good regulatory practices can be found, especially in the areas of starting a business, getting credit and protecting investors.
- Examples of remaining challenges: implementation of a regional “e-registry aimed at harmonizing business registration across the 5 countries: a business registration certificate from one EAC country is not yet accepted in another; substantial delays in the issuance of certificates of origin, regulations are not yet fully harmonized, no consistent application of the agreed-on standards



Only comprehensive, broad-based regional development strategies will help in getting the priorities right and achieving the agreed-on milestones over the coming years.



COUNTRY PROFILES

Burundi

- ✓ Vision Burundi 2025 highlights the following key sectors:
 - Agriculture (90% depend on it and contributes 50% to GDP)
 - ICT
 - Mining (Nickel)
 - Tourism
 - Energy
 - Manufacturing
 - Financial sector
- ✓ API offers a one-stop center/shop (with three counters i.e. Burundi Revenue Authority, Commercial/ Tribunal Court, and Burundi Investment Promotion Agency for registering a business and issuing the required licenses within 24 hours
- ✓ The promulgation of a new Corporate Code reduced the procedures from 11 to 2



Country Profiles..

Kenya

- ✓ Kenya vision 2030 highlights the following six key sectors; tourism, agriculture and livestock, wholesale and retail, manufacturing, finance, and BPO
- ✓ Kenya is among the top 5 foreign investors in the Partner States and coming out as number 1 in Zanzibar.
- ✓ Some of the Kenya investments in the EAC Partner States include:
 - Fuel companies (Kenol Kobil),
 - Retail supermarket chains (Nakumatt, Tusksys and Uchumi),
 - Banking and financial services (Equity Bank and KCB).
- ✓ Kenya Investment Authority (KenInvest) has done a considerable job to promote investments e.g bankable projects are clearly documented and available on their website



Country Profiles..

Rwanda

- ✓ Vision 2020: Agriculture, Mining, Tourism, ICT, Transport, Energy, Construction and real estate, Manufacturing
- ✓ Key reforms continue resulting in Rwanda being ranked the 3rd easiest country to do business in Sub-Saharan Africa
- ✓ The Rwanda Stock Exchange (RSE) was established in 2011 and is regulated by the Capital Markets Advisory Council.
- ✓ Rwanda's company law makes it possible to establish a new business in three (in practice two) days in Rwanda with only two procedures.
- ✓ Investment offices abroad - RDB work with Rwanda's diplomatic missions abroad as well as dedicated investment offices in Shenzhen-China, Quebec-Canada and Turkey to bring Rwanda's investment opportunities to their potential foreign investors



Country Profiles..

Tanzania

- ✓ Vision 2025: agriculture, tourism, telecommunications, mining, fishing, forestry, manufacturing and the energy industries
- ✓ According to World Investment Report 2011, Tanzania is among the top 10 FDI destinations in Africa recording FDI of over US\$1 billion in 2010 and 2011
- ✓ FDI expected to increase further following the recent Chinese and American presidents' visits, according to TIC 2012
- ✓ Opportunities for private investors are abundant

Zanzibar

- ✓ Vision 2020: Fishing and Agriculture, Tourism, Manufacturing, Trade, Energy & Infrastructure
- ✓ Zanzibar was set the minimal capital requirement for hotels at US\$ 2.5m



Country Profiles..

Uganda

✓ Vision 2040:

- Agriculture,
- Tourism,
- Manufacturing,
- ICT,
- Infrastructure

✓ There are major interests in oil and gas (Investments in oil pipelines and refinery)

✓ A presidential investors' round table (PIRT) is in place and is chaired by the President to ensure that the investors' interests are catered for and any constraints handled.



Sector Profiles (investment opportunities)



✓ **Agriculture:**

- provides a livelihood to about 75% of the population and accounts for about 28% to the GDP of the EAC.
- **Investment opportunities**
 - Agro processing
 - Horticulture/Floriculture
 - Commercial/Mechanized farming
 - Livestock
 - Fisheries



Investment Opportunities

□ Tourism

✓ Tourism is key in all the EAC Partner States given the heritage, flora & fauna and excellent weather throughout the year.

• Investment opportunities

- Development of resort cities and construction of hotels
- Conference facilities
- Entertainment facilities – theaters, clubs, casinos
- Film industry
- Culture tourism
- Exhibition galleries



Investment Opportunities

- ✓ **Infrastructure** is seen as key in all the Partner States given its ability to facilitate all the other sectors in terms of transportation and energy among others
- **Investment opportunities**
 - Hydropower and other energy developments
 - Manufacture of transformers
 - Renewable energy (Solar, Wind, nuclear, geothermal)
 - Transport – roads, railways, airports, ports
 - ICT – Data centers, digital villages, telecoms
 - Information Management systems



Investment Opportunities

Manufacturing

✓ **is viewed by all the EAC Partner States** as a potential for considerably contributing to job creation as well as import substitution

• **Investment opportunities**

- Cement Industry and other building materials
- Motor vehicle components manufacturing
- Iron and steel industry
- Medical equipment
- Pharmaceutical plants



Investment Opportunities

- ✓ **Services sector** has been growing strongly, particularly because of the increase in the tourism, construction, and ICT sectors.
- ✓ The services sector is a major employer in the EAC region.
- **Investment opportunities**
 - Banking and other financial services
 - Insurance



Investment Opportunities

- ✓ **Extractive industries** which is **majorly mining** has vast potential in the region given the abundant natural resources including various minerals .
- **Investment opportunities**
 - Establishment of large scale mines
 - Processing of ores
 - Gold refineries
 - Gemstone cutting and polishing
 - Jewelry manufacturing



EAC “ONE MARKET ONE INVESTMENT DESTINATION”

