The Bestselling Pan-African Business Magazine

African BUSINESS

An IC Publication | 52nd Year | N° 455 | August/September 2018

SPECIAL REPORTS
The AfroChampions Initiative
Singapore-Africa

INTERVIEW
Makhtar Diop, Vice President, Infrastructure, World Bank

FEATURES
Africa and Trump's trade war
Ethiopia and Eritrea make amends

FOOTBALL: WHEN WILL AFRICA CASH IN?

• Euro Zone €5.00 • UK £4.00 • USA $6.50 • Algeria DA 300 • Angola 1000 Kwanza (AOA) • Australia A$ 7.50 • Bahrain BD 2.00 • Canada $6.50
• CFA Zone CFA 3.000 • Cyprus 4.00 • Denmark DKr 40 • Egypt E£ 33 • Ethiopia R 90 • Gambia Da 150 • Ghana GH¢ 12.00 • Indonesia R45,000
• Jamaica $680 • Jordan JD 3.500 • Kenya KShs 350 • Kuwait KD 1.500 • Lebanon LL 7500.00 • Malaysia RM 15.90 • Mauritius MR 150
• Morocco Dh 39 • Norway NOK 59 • Oman OR2.00 • Qatar QR 20 • Rwanda RWF 3000 • Saudi Arabia Rls 20 • Sierra Leone LE 20.000
• Singapore $7.50 • South Africa R40.00 (inc. tax) • Other Southern African Countries R 35.10 (excl. tax) • Sweden SKr 33 • Switzerland SFr 8.70
• Tanzania TShs 6,500 • Tunisia TD 5.000 • Turkey 10.000YTL • UAE Dh 20 • Uganda USh 10,000 • Zambia ZMK 45

9 770141 392067 08

M 03136 - 455 - F: 5,00 € - RD

In the lead-up to the biannual Singapore-Africa Business Forum at the end of August, **Anver Versi** was among a group of African journalists invited to visit the island nation. Here is his report.

The Singapore experience

I was among a group of African journalists invited by Singapore's Ministry of Trade and Industry for a whistle-stop tour of this tiny country that packs a gigantic economic wallop.

The African Journalist Visit Programme (AJVP) has become a regular feature preceding the biannual Africa-Singapore Business Forum, which this year takes place on 28-29 August.

The idea is to invite journalists from targeted African countries and introduce them to the political and philosophical underpinnings of what is still regarded as the world's "miracle economy" and to meet with the top echelon of various companies that either do business with Africa or are seeking to do so.

In short, the aim of the AJVP is to reach out to African governments and entrepreneurs via the media and whet their appetite for what Singapore can offer to Africa in terms of innovative services and consultancies – and encourage attendance at the Singapore-Africa Business Forum where hopefully interest can be converted into deals.

The first Business Forum was held in 2010 and hosted by the Ministry of Trade and Industry through International Enterprise (IE) Singapore, its trade, investment and "thought-leadership" arm. IE Singapore became Enterprise Singapore in April this year following the merger of IE Singapore with SPRING, which focused on supporting start-ups and SMEs and helping companies achieve international standards.

Since its slightly hesitant start in 2010, the Forum has delivered excellent returns, attracting over 2,000 business leaders from 30 countries to explore partnerships with Singapore companies and agencies.

According to Kelvin Tan, secretary-general of the Africa South East Asia Chamber of Commerce, total bilateral trade between Singapore and Africa stands at $6.85bn while the stock of direct investments in the continent are around $18.5bn. The steady maturing of relations between Singapore and Africa has been a source of considerable satisfaction for us at IC Publications. We were involved with the Forum from the start and I made my first eye-opening visit to the island nation as the editor of *African Business* magazine as I was then.

Opposite: A guide shows the visiting African journalists around Singapore.

> "The nation's road to success has been paved by investing heavily in its human capital.

Astounding efficiency

I vividly recall my astonishment on that first visit. The degree of development, the innovative solutions to what were essentially developing world problems and the efficiency that pervaded virtually all sectors of society that I witnessed was astounding.

It was difficult to believe that when Singapore gained its independence from British rule 1963 it had joined Malaysia because it had virtually no resources of its own and faced a bleak future. It was expelled from Malaysia two years later and found itself isolated in the Malacca Straits, left to sink or swim. It decided to swim and set into motion one of the greatest transformations in modern history. In 1965, Singapore's GDP per capita was just $500; in 2017, this had increased more than 100-fold, reaching $56,000.

It has achieved this through various stratagems although everyone, from government ministers to taxi drivers will tell you that the nation's road to success has been paved by investing heavily in its human capital – "our only resource", they will add.

While there can be no doubt that Singapore's "human capital" if one is to use that phrase, is of the highest quality, the country seized on the only advantage it had going for it, its strategic location in what was soon to develop as the world's busiest waterway, funnelling an ever increasing flow of products from the economies of Southeast Asia and China to the rest of the world.

Singapore has just lost its rank as the world's largest transhipment hub to Shanghai; nevertheless, PSA Singapore handled an astonishing 33.35m twenty-foot equivalent units (TEUs) in 2017, is one of the world's largest refrigerated container ports and is connected to over 600 ports worldwide.

On a tour of the port facilities, we were told that even the largest container vessels can be offloaded in half a day and that a ship enters or leaves the port every three to four minutes. But a new mega port is being constructed at Tuas with an eventual capacity of over 50m TEUs. It is expected to be fully operational by 2025 and will be largely "intelligent", i.e. run by artificial intelligence.

Exceptional public housing

But there is a lot more to Singapore than the nuts and bolts of its economy. It is a society founded on finding

Bilateral trade between Singapore and Africa stands at $6.85bn.

$6.85bn

solutions for what often seem intractable developing world problems. It is this aspect that makes Singapore so very relevant to Africa's development needs. In many cases, it has faced the same issues we struggle with daily in Africa and has found solutions. More to the point, these solutions are both transferable and scaleable.

For example, the lack of viable water sources on the island has meant that Singapore has had to depend on importing water from Malaysia and develop unorthodox methods of water collection and management. In the process, it has become a world leader in water management.

The densely populated city currently receives more than half of its water supply from rainwater collection, recycled water and desalination. It has one of the world's largest desalination plants. It is working towards becoming fully self-sufficient in the near future.

Our journalist visit coincided with the Singapore International Water week and we visited the booth

of local technology company ZWEEC at the Sands Expo and Convention Centre. ZWEEC's intelligent bio-monitoring system – AquaTEC – serves as a crucial first-line assessment of drinking water safety. It detects irregularities in drinking water supply. Each system performs 24/7 real-time, remote monitoring and is capable of event detection within 15 minutes.

Providing safe drinking water in Africa's burgeoning cities is one of the biggest utility challenges of our times. The technology on view here seems to be the ideal solution for this essential service. AquaTEC technology has been exported to Australia, China, Taiwan and the Middle East.

Our next visit was to Surbana Jurong. On my previous visits to Singapore, this was always one of my favourite stopping off places, particularly in order to meet Louis Tay, who headed their African activity.

Surbana is one of the largest consultancies in Asia when it comes to urban and industrial design but of particular interest for me has been its contribution to public housing in Singapore.

Few issues are as crucial to Africa as the provision of affordable and liveable housing. As the pace of urbanisation increases, planning of cities should be the top priority to prevent the overflowing slums and atrocious living conditions we find in so many of our urban centres.

Cities that are not planned grow into unwieldy eyesores that incubate both physical and social diseases such as crime and communal violence. Children growing up in these environments have little or no chance to make it in terms of education or future careers.

The quality of public housing in Singapore always amazes the visitor and must rank as some of the very best the world has to offer. Tay introduced me to the philosophy behind public housing and explained that it provides much more than living space; properly planned and executed, it provides a lifestyle that can be very positive.

It also reflects the relationship between the state and the people. Rows and rows of ugly, grey, box-like structures, for example, typified how the Soviet state viewed its citizens. The class-based terraced housing in many UK towns reflect the sharp class divide in that country.

For Tay, it has always been essential to create a positive environment around public housing, with plenty of green spaces and communal areas where various income and ethnic groups could come together. "It helps create national unity and identity and gives citizens a sense of their own value," he once told me.

The visiting journalists participated in a number of meetings with local companies.

Surbana is involved in various projects in Africa, including the next phase of the city of Kigali – perhaps Africa's cleanest and most attractive city.

The best airport in the world

We next visited Changi Airport to look at their transport and logistics services. Changi is already one of the leading aviation hubs in Asia. It handles over 2.12m tonnes of cargo annually with transhipment accounting for over half this volume. Most of the handling is automated, virtually eliminating errors in dispatch. The efficiency and speed with which the system works impressed all the journalists many of whom had their own tales of woe at African airports.

Again, the systems perfected at Changi could be transferred to Africa and would make a world of difference to the movement of goods into and out of the continent.

In January, I had been invited by the Civil Aviation Authority of Singapore (CAAS) to visit the Singapore Air Show and also tour the airport facilities. Changi has been voted the best airport in the world several years running and watching the effort that goes on behind the scenes explains why.

It is essentially a different mindset. The airport authority does not consider passengers and their goods as so much statistical throughput but as human beings who are in what is very often a stressful transition from home to their destination. At Changi, they have set out to make this transition as pleasant as possible.

The result is that they have gardens and flower beds, cinemas, relaxing areas, children's playgrounds and an ambience more in keeping with a leisure park than an airport. Despite this, the movement of passengers is swift and sure.

> “The systems perfected at Changi Airport could be transferred to Africa.

Business roundtable

Our next assignment was a business roundtable with companies involved in agro-processing. Agro-processing has been identified as the surest means to achieving greater industrialisation for Africa so this meeting was

Olam is re-imagining agriculture

We may have invested over $2.8 billion in the continent to date but we recognise the real ingredient to our success. Home grown talent.

From cocoa farmers to engineers, agronomists to business heads, we're investing in skills at every level.

Olam - growing in Africa, together.

28	25	31	21,000
years in Africa	African countries	major processing sites	employees

Singaporean companies play a large role in the processing of African cocoa.

of particular importance to the journalists.

Rahul Somani, head of commodities at Tolaram which has a massive presence in West Africa through its Indomie band of foods and is now involved in building Nigeria's deepest sea port at Lekki, Lagos, pointed out that Africa's food imports will swell to over $100bn by 2050 while its food production has remained static. He suggested that farming should be seen a lucrative career to attract the youth rather than as a backward step it is considered now.

Olam's Venkataramani Srivathsan, or Sri as we have come to know him over the years, ran us through the commodity giant's activities in Africa where it deals with 2.5m smallholders. "Every third chocolate is made from Olam cocoa," he told us, "every fifth cup of coffee is from Olam coffee. Sri has always been very bullish about Africa's agricultural prospects but says it is essential that government should keep out of business and let it get on with producing and distributing.

He added that part of the company philosophy is that whatever it replenishes into the soil must be greater than neutral in order to continue increasing productivity.

Lawrence Chan of Asiatic Agriculture Industries explained that his company focuses on "from seed to harvest" crop protection. It provides inputs and works on crop rotation and harvest management.

One of the more intriguing contributors was Connie Kwan of Aaist Chocolate. The company, founded in 2003, it is the first enterprise in Singapore to make chocolate. It now produces a substantial quantity, mainly for businesses such as bakeries, but the demand is growing by the day she told us. In order to ensure security of supply, the company intends to enter into joint ventures in Africa's principal cocoa producing countries, Ghana and Côte d'Ivoire.

Another interesting encounter was with a clutch of innovative companies. Transfer-To, a fintech firm very recently set up, aims to take the M-Pesa concept global allowing customers to transfer and receive payments from anywhere in the world.

Alex Choy of ECNA demonstrated a revolutionary road-making system, especially suitable for unpaved rural roads, that dispenses with traditional road building techniques and yet provides a durable road surface that can withstand rain and other vagaries of the weather at a fraction of the cost – ideal for African roads.

> “Meetings with ministers highlighted the importance the country gives to its African outreach.

Dinuke Ranasinghe of Arcardier showed us how we could build up an internet marketplace in "five minutes" and thereby perhaps launch a career that in time could rival Amazon or Alibaba! There should be plenty of takers for this in Africa.

Debbie Lin of Ascent Solutions discussed how her company's tracking solutions, which allows operators to pinpoint the location as well as movements of their goods, trucks and other carriers, is already in use in Kenya, Ghana and Tanzania and Namibia. Their system can also monitor temperatures in refrigerated trucks.

Mik Yap of Crimson Logic, which is already present in several African countries including Kenya, Mozambique, Madagascar, Botswana, Rwanda and Namibia specialises in digitalising a slew of processes and documentation, from customs forms to legal briefs, saving an enormous amount of time.

In addition to visiting the port, we were given a tour of Sembcorp Offshore Marine Engineering at their enormous shipyard. Sembcorp makes the massive oil and gas rigs as well as the floating production and storage and offloading ships that ply the offshore oil fields of Africa. It also makes tankers and carries out ship repairs.

We also visited the perfectly appointed luxury apartment hotels operated by Ascott Orchard who are in the process of setting up operations in Lagos and Accra and enjoyed a tour of the *Straits Times* newspaper offices.

We were entertained to a delightful dinner by the senior minister of state for defence and foreign affairs, Dr Maliki Osman, and later had a dialogue with senior minister of state for trade and industry, Dr Koh Poh Koon. These meetings highlighted the importance the country gives to its African outreach.

Finally a word of appreciation to our long-suffering but always genial escorts, Suzhen Zheng, Valerie Yuen, Nur Iman Aris, Bridget Shoo and Hidayah Nur, all from the Ministry of Trade and Industry.

In parting and having visited Singapore several times, my suggestion to the organisers of the Forum is that the journalists visit should be timed for one week before the Forum and for the journalists to then stay over to cover the Forum itself which in the past has suffered from lack of coverage in the African media. ■

AFRICA SOUTH EAST ASIA CHAMBER OF COMMERCE

Chambre de Commerce Afrique-Asie du Sud Est

Mobilising Businesses Across Africa And South East Asia

Mobilisant le secteur privé entre l'Afrique et l'Asie du Sud Est

OUR ACTIVITIES

- Access to business ideas and opportunities in Africa and South East Asia
- Connect and strengthen high-level business relationships between private sectors
- Exclusive platform for networking, information sharing, and knowledge exchange

NOS ACTIVITÉS

- Accès a des idées de commerce et opportunités en Afrique et Asie du Sud Est
- Connecter et renforcer les relations d'affaires de haut niveau entre les secteurs privés
- Une plate-forme exclusive d'échange et de rencontres, où nos membres peuvent partager information et échanger connaissances

***Membership by invitation only**

Headquartered in Singapore
140 Cecil Street, #01-00A PIL Building, Singapore 069540
Tel: (65) 3159 1517 Email: info@africaseasia.org

Kelvin Tan, secretary general of the Africa South East Asia Chamber of Commerce (*pictured below*) looks at how to address the trade balance between Asia and Africa.

Africa-Asia trade finance gap: Time to take stock

In conversations about Africa-Asia trade relations, I always hear the same words: infrastructure, China, investment, gap. Yes, African countries present tremendous infrastructure investment opportunities. Yes, China has been pouring billions of dollars into the continent. Yes, Africans are keen do more with Singapore and the rest of Southeast Asia. Yes, Africa still lacks the industrial base to move up the supply chain from exporter of natural resources to processed goods. This is not the whole story. In order for Africa-Asia trade to evolve, we need to acknowledge and address the lack of appropriate financing in this corridor.

Asia, not just China, opening up

Asia is Africa's number one trade partner: the region provides the largest percentage of African imports and receives the second-largest percentage of African exports. In fact, Asia has been catching up on Europe as the top destination for African goods, scooping almost 40% of the continent's exports in 2016.

One can't deny the impact China has had on the African continent in recent years: the country is well on track to deliver the $60bn of investment it promised at the first Forum on China-Africa Cooperation in 2000. Chinese FDI has been focused on areas such as industrialisation and infrastructure, and Chinese imports of African goods (mainly natural resources) have grown significantly since 2000. But trade between the two peaked in 2014 and since then, China's decision to rely more on its own natural resources has caused a shift in the balance: after almost a decade of trade surplus, Africa exported only half the value of what it imported from China in 2016.

Overall, the share of imports from Asia has grown in recent years, from 34.9% in 2014 to 45.9% in 2016, dominated by machinery, electricals and electronics, which account for over 25% of the continent's imports from Asia. But African countries have been deepening their trade relationships in a much more balanced way with the rest of Asia, particularly India and Indonesia. Exports to Indonesia increased 147% between 2006 and 2016, while imports grew 107%. For India, these numbers went up 186% and 181% respectively over the same period.

> "Southeast Asia presents an incredible opportunity for Africa.

Southeast Asia presents an incredible opportunity for Africa, especially in terms of plugging into global value chains. Indonesia, Malaysia, Singapore and Thailand, are increasing their presence on the continent. Within the region, the main destinations for African products are Indonesia and Thailand. For example, high-grade cocoa from Ghana and Côte d'Ivoire is sent to processing plants in Malaysia and Indonesia to be transformed into products for Asian markets. The biggest African exporters to Southeast Asia are South Africa, Nigeria, Algeria and Angola, which tells us that exports are dominated by minerals and oil and gas.

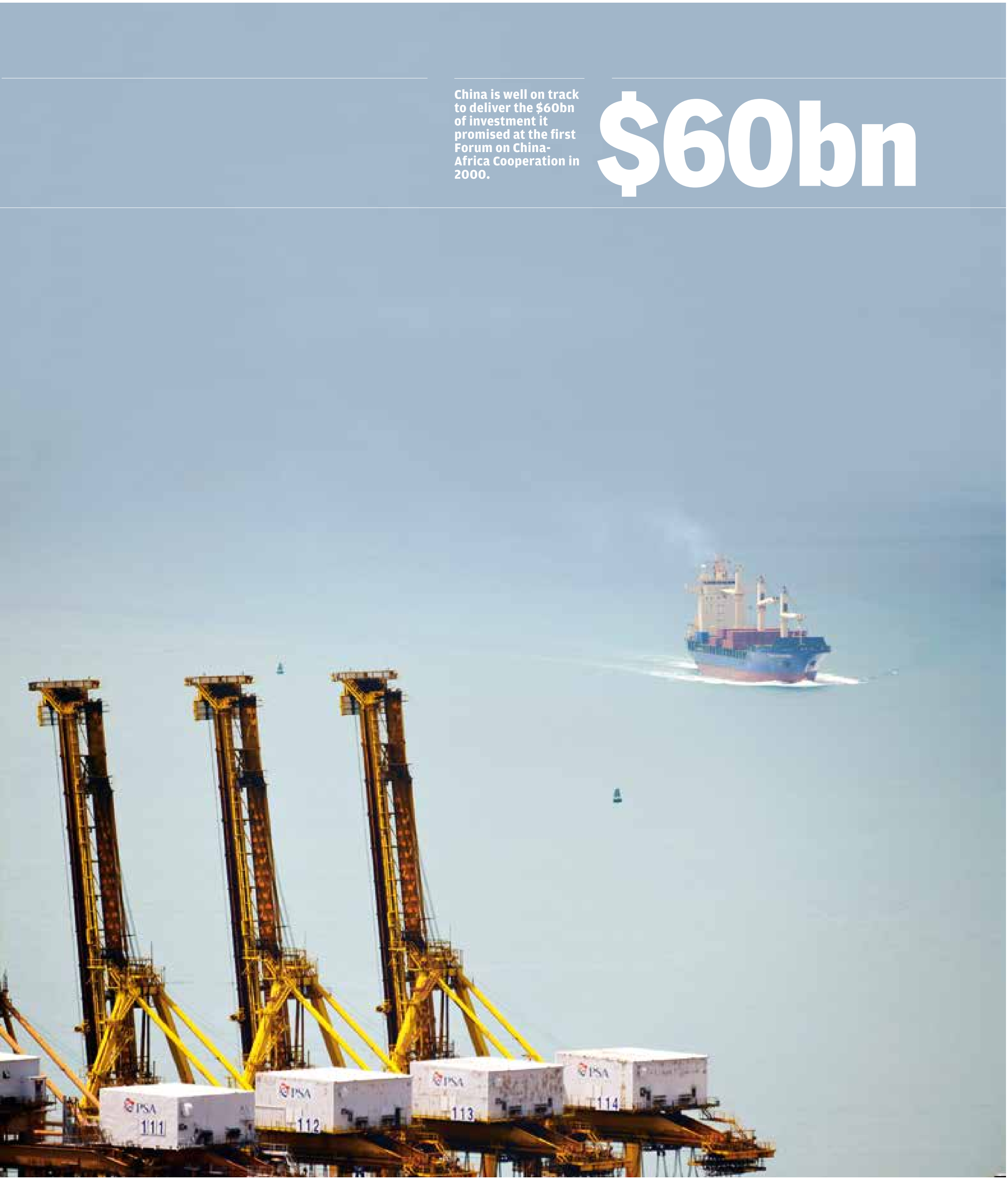
On the other hand, exports to African economies from Southeast Asia mainly consist of intermediate goods, vehicles and machinery and their parts. These are crucial to Africa's industrialisation and move away from an over-reliance on natural resources exports – a process that has been taking much longer than it should due to the lack of availability of trade finance between the two regions. As long as exporters of intermediary goods from Asia don't give African importers more buyers' credit, Africa's move towards a manufacturing economy will remain slow.

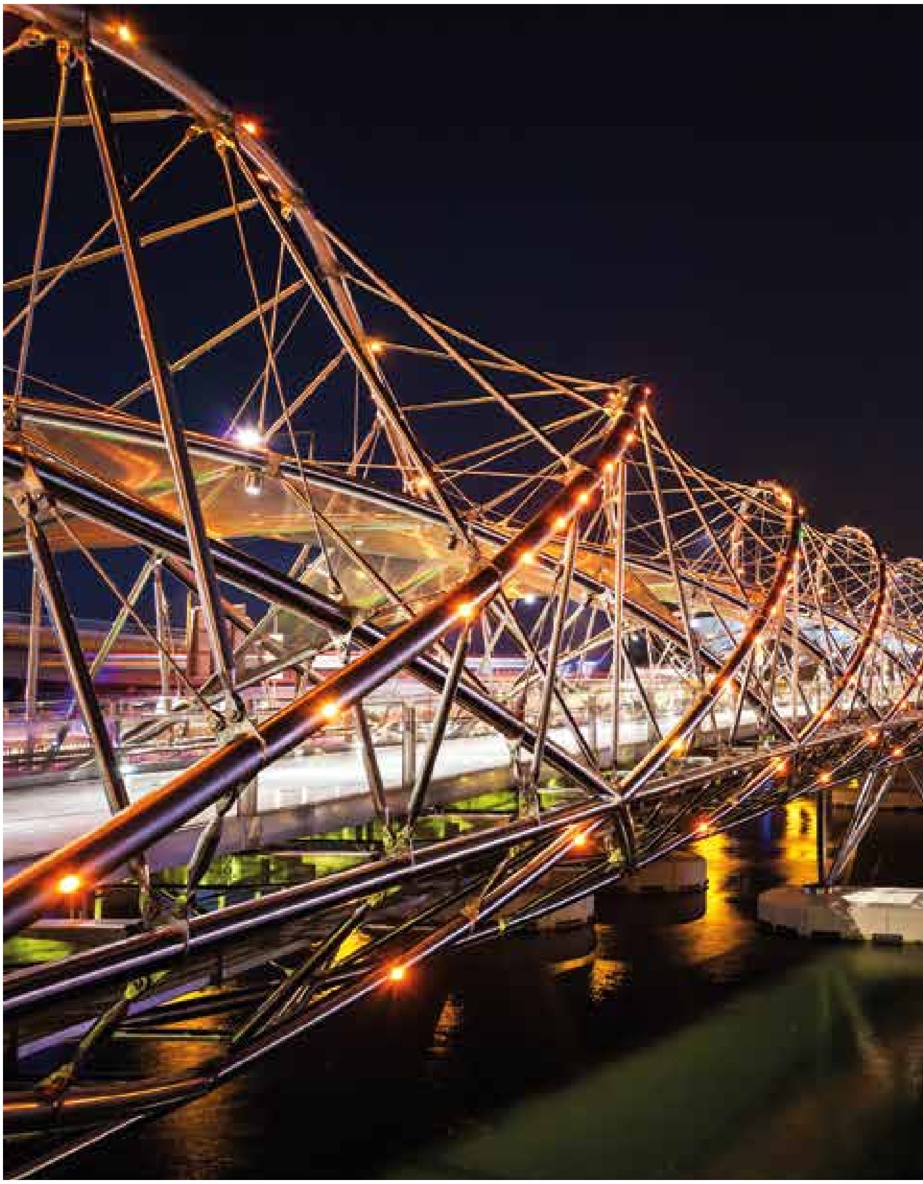
Risk and flexibility

While recent conferences such as the Africa Singapore Business Forum, the Indonesia Africa Forum in Bali in April 2018, or various African Development Bank (AfDB) meetings in South Korea and Japan are useful

China is well on track to deliver the $60bn of investment it promised at the first Forum on China-Africa Cooperation in 2000.

$60bn





for fostering trade, they don't have a direct impact on increasing the bankability of Africa-Asia trade.

The current reality I regretfully observe in the market is that financial institutions from Asia, or those based in Asia, are reluctant to take on African risk. There is a crucial lack of understanding, trust, infrastructure, and systems to handle African risk in Asia-based banks, due to a number of factors.

Historically, Asian banks have not had a presence on, or a direct trade finance channel with, the African continent. Most transactions between Asia and Africa are relayed to a Dubai or London branch, which has impeded Asian risk officers' understanding of African risk, and therefore their appetite. Aside from Chinese institutions, only a couple of Asian banks have opened representative offices on the continent – though this is set to change, with Japanese banks in particular keen to increase their presence. Additionally, most Asian banks don't have an Africa desk for internal reporting, which means that despite the significant margins they could achieve, bank staff lack incentives to originate, lead, and underwrite transactions between their Asian clients and their African counterparts. In order for Africa-Asia trade to blossom, financiers must have the in-house infrastructure, pricing, and risk management systems to do such trade deals.

On the African side, some banks have made encouraging inroads into Asia. In China, Afriland and Ecobank have representative offices in Beijing, while Morocco's BMCE Bank of Africa is expected to open a branch in Shanghai this year. South Africa's Standard Bank is in Singapore and Hong Kong. The majority of African banks, however, are not equipped for cross-border trade deals with Asia. Most lack the tools to assess risk on these transactions, and, simply put, do not have sufficient balance sheet to support trade with Asia. Banks and insurers in Asia, with stronger balance sheets, must take the lead.

Finally, for financiers from both regions, the Africa-Asia trade corridor suffers from two other systemic issues: one, persistent information gaps, particularly among small and medium-sized enterprises (SMEs), which makes underwriting challenging and costly; two, the high costs of currency hedging and swaps in trade transactions, arising from domestic African currencies which are either illiquid and/or subject to strict capital controls.

Finding durable solutions

With the exception of current negotiations between India and the Southern African Customs Union on a preferential trade agreement, there are currently no free trade agreements between Asian and African countries.

The recent signing of the African Continental Free Trade Area (AfCFTA) agreement by 44 African nations could pave the way towards such a pact between the Africa and regional economies in Asia such as China, India, or the Association of Southeast Asian Nations (ASEAN), by initiating the harmonisation of trade within Africa. But from my experience, free trade agreements (FTAs) deliver limited benefits to signatories. This is because in order for an importer to enjoy tariff-free international purchases, the administrative task of filling out FTA documentation falls on the exporter – who does not have a direct financial incentive to do so.

$700bn

Singapore is home to over 1,200 financial institutions and $700bn of trade every year.

Increasing trade finance liquidities along the Africa-Asia trade corridor will move the needle and grow current region-to-region trade from $500bn to a projected $1 trillion per annum. In this respect, support from multilateral financial institutions such as the International Finance Corporation (IFC), the AfDB, Afreximbank or the Asian Development Bank (ADB) tends to make a much more significant difference. The IFC's Global Trade Finance Program (GTFP), for example, which guarantees the trade-related payment obligations of approved issuing banks in emerging markets, or the ADB's Trade Finance Program, which does the same thing in Asia, are good examples of the ways multilaterals can foster trust within the commercial banking sector. But of the 286 issuing banks included in the GTFP, only about 50 are African.

These initiatives need to be expanded on the African continent, and more importantly, specific Africa-Asia trade finance solutions must be developed.

The New Development Bank, headquartered in Shanghai, and formed to support infrastructure and sustainable development efforts in Brazil, Russia, India, China and South Africa (the BRICS) as well as other emerging economies, also has a role to play in promoting trade finance flows between Asia and Africa.

In addition, a dedicated Africa-Asia trade finance liquidity and guarantee fund, funded in part by multilaterals, regional development finance institutions, insurers and banks from both regions, would be an efficient way to catalyse trade liquidity between the two regions. Central banks, multilaterals and governments need to take the lead as individual banks are unlikely to mobilise the resources. Corporates – both SMEs and large multinationals – will be more than happy to contribute their time and resources to this endeavour, as they are the ones who will benefit the most from the enhanced trade finance collaboration.

Role of fintech and Singapore

Fintech companies like Orbitt Capital, a deals origination platform for Africa-focused capital, are leading the way in reducing the trade finance gap on the continent; and in terms of technology, much can be done to improve existing payment infrastructure and reduce costs for African counterparts that cannot shoulder the burden of Swift or letter of credit transactions. Why couldn't a $1m invoice be paid via the likes of a B2B WeChat-like platform in the not-so-distant future?

As a global financial and fintech hub in Asia, Singapore – home to over 1,200 financial institutions and $700bn of trade every year – can and should leverage its experience and position as a trusted financial intermediary to foster these relations. Africa- and Singapore-based firms can work together to create global funding platforms for Africa-Asia trade finance; or create tech infrastructure and portals which reduce the trade information gap, improve underwriting and manage currency risk. FX solutions can perhaps carry a stronger focus on RMB, considering China's prominence in the continent.

The only certainty is that in order to address the trade imbalance between Africa and Asia, financiers, sovereigns, and other trade enabling stakeholders need to take concrete action to start fixing the trade finance gap today. ■

THE AFROCHAMPIONS INITIATIVE

Paulo Gomes, Member of the AfroChampions initiative

The chair of the AfroChampions commission on the alliance between sovereign wealth funds and strategic funds talks about the practicalities of creating a fertile environment for African multinationals to arise.

Graduating from political to economic independence

What role does the AfroChampions initiative have to play in building a pan-African market?
The initiative was born from the need to reach a critical mass and to have a global African coalition, so that the Africa Union's Agenda 2063 can be achieved. We are now realising that the private sector also has a key role to play in this. We must now think about the methods and platforms to drive forward and complete the process of regional integration. AfroChampions is one such platform. Its goal is to create a fertile environment for African multinationals to arise, with the goal of these multinationals investing, not only in their own country, but also in other countries. This way they can became agents of change and a driver of regional integration.

But Africans have never worked together like this. They don't have the culture of working together. How can you attain this objective of creating synergies within the private sector now that it's become pressing to do so?
I don't agree with you on this. I think that Africans do have a culture of working together. Don't forget that people have already united in struggles to win political independence, albeit this was some years ago. The question now is knowing what to do with this independence and turning it into an economic independence that can give rise to prosperity for everyone. We find ourselves in a tunnel right now, full of flaws and disappointments, but this isn't something we can finish in a day or two.

How do you prioritise and bring order to this plan?
We need to create a case-by-case, step-by-step approach and put it into practice. It's one thing coming up with great ideas – and I think that's something that we've done here – but now we need to put it into practice one step at a time. Some countries are ready, some are not, but they may be in the near future. We do understand the enormity of the task – it's not as though 55 different countries are suddenly going to leap onto the same page and start pulling in the same direction. We'll start with the ones that are ready, launch initiatives one at a time, and the results will quickly become apparent. Success breeds success, as those who aren't yet enjoying it will soon want it for themselves.

What's the best way of doing this? For example, would Singapore be a good model to copy? What use can Africa make of success stories like that?
First of all, we can't just copy other countries, because we have to take our specific situation into account. We invited Singapore to the forum so that we could learn from them – they have one of the best sovereign wealth funds in the world, after all – but not so that we could copy them. We will see which of their best practices we can use to build a strategic alliance of African sovereign wealth funds and get them investing together.

But does Africa have the means to seize control of its own financial resources?
Absolutely it does! Of course, we're not currently looking to compete with sovereign wealth funds on the scale of Singapore, which is managing a fund of $200bn. However, it's possible to start with a modest strategic fund, so long as you know exactly what you want to do with it. There's no magic formula. It's first and foremost a case of the countries being able to create savings and use them for strategic actions. Senegal has begun by creating a small fund called Fonsis. Ghana also has a small fund amounting to $250m, which is focused entirely on infrastructure. Africa has the means to create small investment funds, strategic funds, and sovereign wealth funds. We just have to start out transparently, with transparent governance and a clear strategic focus.

To put ideas into practice, it's important to know how things are in reality. However, all too often in Africa figures are just vague estimates. How can you build a solid vision on the back of shaky data?
You're right that our statistical information leaves a lot to be desired, but it's getting better We have a huge amount of information, figures and data right now, not only at the state level but also, and in fact especially, in the private sector. Technology is vital in this respect.

Accelerating the transformation of Africa

As an example, for urbanisation we have a significant amount of information from satellite data, in the form of diagrams, systems and algorithms. Technology will make it easier for us to collect and analyse data. Of course, this doesn't solve all of our problems. In particular Africans still have problems accessing and using statistics under circumstances that amount to a world data war. We need to do everything we can to get hold of the data and use it in our strategy.

Above: Paulo Gomes, founder of Paulo Gomes and Partners and member of AfroChampions.

Will Africa also be in a position to use soft power, and influence other countries in order to construct its own vision of the world?

I believe so. The new generation of Africans have global experience. There are people with African heritage in Latin America, the United States and Europe, who hold influence and the power to make significant decisions. These people are not necessarily going to want to hurry back to Africa overnight but they haven't forgotten where they came from. They can help reshape perceptions about Africa, convey the message that the continent can build its own development model without replicating errors from other region, and serve as an incredible lab for economic and innovation able to inspire the rest of the world. Any soft power exercise should aim at promoting this new narrative.

If AfroChampions is going to become a successful vehicle for awareness, how can sovereign wealth funds, such as the one you manage, help with this? What is your vision here and how do you intend to make it reality?

Within AfroChampions, I work as the chair of the commission in charge of the alliance between sovereign wealth funds and strategic funds. The first meeting has the aim of launching the alliance and exchanging best practices, which is why we invited the fund managers from Singapore in charge of the Temasek Holdings fund to bring their experience to the table. The discussions should help us to look at different joint-investment options for strategic projects in Africa and in Singapore.

From a strategic point of view, what should the sovereign wealth funds be aiming towards? What kind of large-scale infrastructure projects are the best fit?

The funds can help with durable development projects, such as renewable energy projects that could work for several countries at the same time. They could also be used for railway projects, which again could benefit a number of countries. There are a lot of projects that can be shared and co-funded, which are exactly what we are looking to identify. ■