

AFRICA FREE ZONES ORGANISATION

Newsletter



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AFZO NEWS

1st Web Seminar session : « Legal and fiscal framework – Free zone attractiveness »

Africa Free Zones Organization recently conducted a web seminar session in collaboration with Mr Abdou Diop, (Partner at Mazars group).

The scope of this web seminar was to take the participants through the methodology of implementing the best practices of legal and fiscal framework within African free zones.

After sharing some definitions, Mr Diop highlighted the importance of implementing strong and simplified legal and fiscal framework to enhance free zone competitiveness. Many examples and business cases were also developed during this successful web seminar session.



Mali : The Agency for the Development of Industrial Zones joins AFZO

Africa Free Zones Organization recorded the inclusion of Agency for the development of Industrial Zones (ADI) as a new member representing Mali.

The Africa Free Zones Organization will continue to support the development of new free zones project and address collectively with its members future challenges for sustainable success of the African free zones.



Developments of New Free Zones in Africa

NIGERIA : NEPZA and Customs partner on non-oil economic diversification

The Nigerian Export Processing Zones Authority (NEPZA), is to partner with the Nigeria Customs Service (NCS), to diversify the economy via developing the non-oil sector.

According to stakeholders, this would further boost the nation's economy, as well as ensuring food security in that, the Customs, as the chief enabler for the use of free trade zones (FTZ), would ease operations at the various zones in the country.

NEPZA called for the continued training of Customs operatives on free trade and special economic zone matters, even as he advocated inclusion of free trade zone training in the curricular of Customs.



Source: The guardian

Ethiopia inaugurated two additional industrial parks

Council of Ministers (CoM) approved a regulation to administer Industrial Parks after drafting for two years with various government institutions and private companies.

The Kombolcha Industrial Park, inaugurated on the 8th of July 2017, will gather companies engaged in the textile and garment. The companies to occupy the nine sheds constructed in the first phase of the industrial park will create jobs for more than 20,000 individuals. Of the total shades, 70 percent is dedicated to foreign anchor companies, while 30 percent will be occupied by local companies.

The industrial park in Mekele was inaugurated on the 9th of July 2017. It is built on 100 hectares of land and is also expected to create jobs for 20,000 individuals.

Mekelle Industrial Park and Kombolcha Industrial Park, located 783 kilometers and 252 km north of Addis Ababa, respectively, are both dedicated to the textile and apparel



source: Ethiopian News Agency

and have a combined construction cost of USD 250 million. Mekelle Industrial Park and Kombolcha Industrial Park are being built by China Communications Construction Company and China Civil Engineering Construction Corporation respectively.

The government has commissioned the construction of 15 industrial parks across the country which are in different stages of construction.

Ghana Free Zones Board targets local businesses with launch of 'Investment week

Ghana Free Zones Board is embarking on a drive to encourage more local participation in the free zone programme.

Data from GFZB shows that out of the 201-licensed free zone companies, 56 representing 28 percent are indigenous companies, 63 representing 31 percent are joint ventures between Ghanaians and non-Ghanaians, according to the free zones board.

The Board said Ghanaian companies already operating in the free zones enclave but are financially distressed have an opportunity to access government's stimulus package.

The total value of exports generated under the free zones programme from 1996 to December 2016 was US\$30.9 billion dollars whilst the performance for last year was \$2.3 billion.



Source: JoyBusiness

The Investment Week celebration is part of strategies of the new management to provoke interest among Ghanaians.

The celebration will be an annual event by the board.

Kenya Launches Special Economic Zone Project

Kenya launched a Special Economic Zone (SEZ) project on Friday, July 7th 2017, which is expected to attract about \$ 2 billion in foreign investment. The project is a joint venture between the Kenyan company Africa Economic Zone and the Chinese group Guangdong New South.

Phase 1 consists of a 700-acre industrial park that houses

businesses in the agri-food, chemical and construction sectors, according to Ruto.

Phase 2 targets technology companies, while Phase 3 will focus on the hospitality industry. The project was made possible after the signing of an agreement between the Kenyan and Chinese companies in China at the Belt and Road Forum (BRF) for international cooperation.

Ivory Coast solicits mauritian investors to develop a Biotechnology and ICT Free Zone Project

On March 2017, the Vice-President of the Republic of Ivory Coast Daniel Kablan Duncan visited the 180 ha area under construction, which was made available to the Village of Information Technologies and Biotechnology (VITIB) in Grand Bassam.

Daniel Kablan Duncan has appreciated the enthusiasm of domestic and international companies for this area, where some companies have already started to settle. In the area reserved for pharmaceutical companies, PHARMANOVA is in the phase of launching its work with the unveiling of a stele.

These development works, whose end is announced for December 2017, are financed by the West African Development Bank (BOAD) for 13 billion FCFA and the Islamic Development Bank for 5 billion FCFA.



Source: AllAfrica
<http://allafrica.com/stories/201703091501.html>

Ghana: Free Zones Board targets \$6bn exports in 2018

The Executive Secretary of the Ghana Free Zones Board (GFZB), Mr Michael Okyere Baafi, says the board is hoping to generate \$6 billion in export revenue in 2018.

In 2016, the board generated \$2.3 billion and is keen on improving the figure this year.

One of the interventions to help achieve the target is by attracting foreign direct investments, especially from investors in Eastern Europe and Asia.

"We are targeting investors from these regions because we know they have the clout and the financial muscle to provide that critical funding," Mr Baafi told the Daily Graphic in an interview in Prague, where the board is holding its first-ever trade mission.

Seventeen companies are participating in the mission, which is led by a Deputy Minister of Trade and Industry, Mr Carlos Kingsley Ahenkorah. It is seeking to leverage the economic relationship between the two countries to attract investments into Ghana.



source: <https://www.graphic.com.gh>

The trade mission is being organised by the GFZB in collaboration with the Ghana Embassy in the Czech Republic.

It also seeks to develop partnership between companies of the two countries.

Mr Baafi said while the board was seeking foreign direct investments, it would continue to assist local businesses to identify opportunities for strategic partnerships.

Tanzania: Chinese firm will develop the Bagamoyo Special Economic Zone

The Bagamoyo project will be developed under tripartite agreement of the government of Tanzania, China Merchants Holdings International (CMHI) from China, and State Government Reserve Fund (SGRF) from Oman.

The Managing Director of China Merchants Holdings International, Dr. Hu Jianhua, said the Bagamoyo project framework agreement was signed on March 24, 2013 to enhance the competitive advantages of the Tanzanian port in the future.

The Bagamoyo Special Economic Zone is located about 75 kilometres from Dar es Salaam and 10 kilometres from Bagamoyo town.



Source: AllAfrica
<http://allafrica.com/stories/201710030362.html>

Investments in African free zones

Uganda: Flower farms licensed as Free Zones

The Uganda Free Zones Authority (UFZA) has issued 3 developer's licenses to Wagagai Ltd, Jambo Roses Ltd and Ugarose flower to operate as free zone. The main activities that will take place in the free zones will be growing and exporting flower cuttings for both Wagagai Ltd and Jambo Rose.

Ugarose Flower Ltd will focus on growing, packaging and exporting of fresh cut rose flowers.

According to the Uganda Flowers Exporters Association, the country is currently flying out just over 6500 tonnes annually with total sales at about \$30 million.

Richard Jabo the Executive Director of UFZA said some companies that they have granted Free Zones have set up health facilities and schools as part of their corporate Social Responsibility thus bringing services closer to the people.



Source: All Africa

UFZA has issued to over five companies Licenses to develop Free Zone in Uganda. Some of the companies which were granted licenses to develop Free Zones include Arua SEZ, Nilus Limited in Jinja , Uganda Wood Impex Ltd located in Kalungu district and three more flower companies namely Royal Van Zanten, Fiduga Limited among other companies.

Zambia inaugurated two additional industrial parks

The Lusaka South Multi-facility Economic Zone (LS-MFEZ) has received investment pledges worth US\$1.5 billion, resulting in the actualisation of US\$443.8 million to date since inception in 2013.

LS-MFEZ acting managing director Mukela Lubasi said the number of expressions of interest to invest in LS-MFEZ has reached over 200 from both local and foreign firms as at August 8th, 2017, out of which 36 applications have been approached with investment levels of US\$1.500.9 million.

Ms Lubasi said in an interview recently that LS-MFEZ will continue to escalate the pace at which investment is being lured to the zone to enable Government make quick returns and boost economic activities in the country.

“Nineteen companies have signed lease agreements worth US\$443.8 million, eight companies are on site, undertaking construction activities worth 272.9 million, while four companies’ proposals worth US\$33.3 million



Source: Zambia Daily Mail Limited

are currently being appraised,” she said. One of this companies is the British American Tobacco Zambia (BATZ).

The company is constructing a US\$20 million tobacco-processing factory at the Lusaka South Multi- Facility Economic Zone (LS-MFEZ), which is expected to start production before the end of 2017.

Egypt: DP World to build industrial zone at Suez Canal

Egypt's General Authority of the Suez Canal Economic Zone (SC Zone) signed on September 2017 a partnership agreement with the UAE-based port operator DP World to develop the planned economic zone near the Suez Canal, the Anadolu Agency reported.

The joint contract is a prelude to the final agreement which will be signed between the two sides "upon the completion of all procedures".

The partnership aims to establish a joint development company between the SC Zone Authority and DP World to implement a sustainable and integrated economic zone in Egypt's north-eastern port, including a free industrial zone and other development projects.

The new company will be 51 per cent owned by the General SC Zone Authority, which was founded in 2015 to administer and manage the development project, while the other 49 per cent will be owned by DP World.

Under the agreement, DP World will carry out the development of 95,000 square kilometres in Egypt's



Source: <https://www.middleeastmonitor.com>

north-eastern area of Ain Sokhna at the southern end of the Suez Canal.

The project also includes the construction of a 75 kilometre industrial area and a 20 kilometre residential area which will accommodate 650,000 people.

The SC Zone project is set to provide some 500,000 job opportunities.

Ethiopia: 7 Foreign Companies Acquired Sheds in Mekelle Industrial Park

Mekelle Industrial Park, built at an outlay of 92 million USD, was inaugurated on July 9th, 2017. The park is said to be located 5 kilometers away from Tigray State's capital, Mekelle, and create job opportunities for 20,000 people.

Companies based outside of Ethiopia have acquired 7 of the 15 factory sheds in Mekelle Industrial Park, which was built over 75,000 hectares of land and dedicated for apparel and textile manufacturing.

Starting from September 2017, companies that had acquired factory sheds would start installing machineries and scheduled to start production in 9 months time, Goitom furthered.

Tigray Regional State Small and Medium-sized Manufacturing Industries Development Agency, on its part explained that it had started to recruit employees for the park.



Source: Fana Broadcasting Corporation

According to Head of the Agency, Tilahun Tareke, 10,000 workers from across the country will be employed for the first round. Currently there are almost 27,000 people that have actually applied for the employment opportunities.



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