PIGA NEWSLETTER

PARTNERSHIP FOR INVESTMENT AND GROWTH IN AFRICA (PIGA)

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PIGA MOVES TO THE MAIN PHASE

The Partnership for Investment and Growth in Africa (PIGA) is a partnership of the Government of the United Kingdom of Great Britain and Northern Ireland’s Department for International Development (DFID), the China-Africa Development Fund (CADFund), the China Council for the Promotion of International Trade (CCPIT) and the International Trade Centre (ITC). PIGA was launched on 22nd October 2015 in London, on the sidelines of Chinese President Xi Jinping’s state visit to the United Kingdom.

After a year a Scoping and Design Phase (December 2015 to March 2017), PIGA Main Phase was launched in May 2017. During the Scoping and Design phase, the project identified the needs for technical assistance and designed high-impact project activities that will be implemented under the four-year PIGA Main Phase. In addition, various investment promotion activities and events were organized, and export and investment potential studies were conducted. As a result, 300 business-to-business meetings were held, a network of 795 Chinese and African companies was established, and investment and trade leads were initiated for a total estimated value of USD 49 million.

PIGA aims at increasing exports, jobs and local development through foreign investments, especially from China, and business partnerships in the agro-processing and light manufacturing sectors in Ethiopia, Kenya, Mozambique and Zambia.

Find out more on the PIGA website.
LOOKING BACK AT PIGA SCOPING AND DESIGN PHASE

PROMOTING INVESTMENT IN AFRICA BY CHINESE INVESTORS

PREPARING AFRICAN COMPANIES FOR BUSINESS MATCH-MAKING

CONNECTING AFRICAN AND CHINESE BUSINESSES TO BOOST TRADE AND INVESTMENT

SHARING CHINESE EXPERIENCES WITH AFRICAN BUSINESSES

THE PIGA BUSINESS MATCH-MAKING EVENT IN THE MEDIA

A WORD FROM OUR BENEFICIARIES AND PARTNERS

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PIGA Scoping and Design Phase (December 2015 to March 2017) was instrumental to design concrete activities for the 4 years of the PIGA Main Phase. It also delivered activities to increase capacities of African companies and initiate business partnerships between them and Chinese investors.

During the Scoping and Design Phase, ITC worked with more than 170 stakeholders in Ethiopia, Kenya, Mozambique and Zambia to identify common challenges and country-specific needs for technical assistance to attract sustainable foreign investment. As a result, ITC developed the theory of change and full-fledge project documentation for PIGA Main Phase, which was endorsed by all partners during a validation workshop, held in Zambia on 19-20 September 2016 as well as missions conducted to China and London. The detailed project workplan, roles, and responsibilities of partners for project implementation were developed jointly with key stakeholders.

Furthermore, in order to initiate the business partnerships with African and Chinese companies, ITC, in close cooperation with CCPIT and CADFund, organized investment promotion events in China, including an investment promotion seminar in Tangshan, a high-level investment forum in Beijing and a business match-making event in Guangzhou.

As a result, PIGA gained strong support from key stakeholders in Ethiopia, China, Kenya, Mozambique, Zambia and the UK to start the project Main Phase implementation.

The results of the Scoping and Design phase are:

- USD 49 million estimated value of investment and trade leads initiated
- 29 partnerships and investment leads under negotiations between Chinese companies and Kenyan, Mozambican and Zambian companies
- A network of 795 Chinese and African companies and institutions established
- 300 B2B meetings facilitated
- 85 follow-up visits by African companies to China and by Chinese investors to Africa took place as a result of PIGA events
- 20 TISIs assessed and key partners for implementation of PIGA Main Phase identified in Ethiopia, Kenya, Mozambique and Zambia
- 11 contacts established with UK private sector organizations and institutions i.e. the Commonwealth Development Corporation (CDC), United Kingdom Trade and Investment (UKTI), Overseas Development Institute (ODI), China-Britain Business Council (CBBC), British Chamber of Commerce in China (BCC), DFID offices in Ethiopia, Kenya, Mozambique and Zambias, and the Embassy of United Kingdom in China
- 39 African companies trained on doing business and conduct business meetings with prospective Chinese investors
- 2 studies on investment opportunities and export potentials in Ethiopia, Kenya, Mozambique and Zambia in English and Chinese contributed to promote foreign investment opportunities and inform investment decision-making by Chinese investors.
More than 300 businesses, investors and institutions participated in the Seminar on Investment Promotion to Ethiopia, Kenya, Mozambique and Zambia in Xian, China, held on 5-7 June 2017. The event aimed at promoting investment in the four African countries to Chinese investors. More than 207 business people from China interested in investing in Africa met with African Investment Promotion Agencies (IPAs), representatives of embassies of the four African countries, and project partners and stakeholders.

The objectives of the seminar were to (1) increase awareness of potential Chinese investors on investment climates and opportunities in Ethiopia, Kenya, Mozambique and Zambia; (2) provide a forum for experience sharing and mutual learning among Chinese investors and IPAs in these countries; (3) facilitate network building between investment promotion agencies in these countries and potential Chinese investors.

Following the seminar, the Chinese companies interested in investing in Africa were given the opportunity to meet face-to-face with the Investment Promotion Agencies (IPAs) from Ethiopia, Kenya, Mozambique, and Zambia.

The bilateral meetings built direct contacts, increased Chinese investors’ understanding on investment processes and procedures as well as risk and opportunities. Chinese companies expressed that the meetings provided them with great guidance on how to invest in Africa and that the discussions with the companies helped them to polish their investment plan and defined their investment strategy.

African representatives confirmed that the meetings allowed mutual learning and provided opportunities for tailored advising.

On 7th June 2017, the second day of the seminar, representatives from African IPAs, embassies, ITC and CCPIT visited local Chinese companies to learn how Chinese companies operate, export and establish business partnerships.
SMEs in Ethiopia, Kenya, Mozambique and Zambia participated in Business-to-Business (B2B) trainings from 25th June to 3rd July 2017, to prepare their participation in the PIGA Business Match-Making Event held in Changchun, China on 3-5 June 2017.

33 participants from Ethiopia, Kenya, Mozambique, Zambia, including senior officials from the Ethiopian Investment Commission (EIC), Kenya Investment Authority (KenInvest), the Investment Promotion Centre of Mozambique (CPI) and the Zambia Development Agency (ZDA) participated in the training workshops. They received practical knowledge and developed skills to successfully lead the negotiation during B2B meetings, especially with Chinese investors.

The training workshops helped participating companies to improve their company profiles and investment proposals. The training also prepared them on how to conduct one-on-one business meetings and initiate discussions on future investment projects in their respective countries.

All participating companies, without exception, confirmed that the workshops were useful to draft effective investment pitch and enabled them to be better prepared for negotiation during the B2B meetings.

Companies also received complementary training in China, the day before the PIGA Business Match-Making Event. They expressed the training session was helpful and insightful. The training session on ‘Preparing Investment Proposals and Negotiation for Chinese Partnerships’ contributed to an increased understanding of the Chinese Government’s long term investment plan as well as individual business models of Chinese companies. The session on Investment Readiness also presented practical know-how to the participants.

These trainings contributed to the fruitfulness of meetings held during the Business Match-Making Event. The Event facilitated more than 200 B2B meetings between African businesses and Chinese investors in the agro-processing sector.
Through the Partnership for Investment and Growth in Africa (PIGA) project, companies in Ethiopia, Kenya, Mozambique and Zambia are doing business with Chinese investors.

African and Chinese entrepreneurs in agro-processing are talking business, doing business as a direct result of meetings co-organized by the International Trade Centre (ITC).

More than 260 businesspeople participated in one-on-one matchmaking meetings in Changchun, Jilin Province, China, on 4 September 2017 to discuss trade and investment opportunities in the agro-processing and light manufacturing sectors in Africa.

The 200+ meetings between 21 companies from Ethiopia, Kenya, Mozambique and Zambia and 75 Chinese investors were organized by ITC, the Jilin People’s Government, the China Council for the Promotion of International Trade (CCPIT) and the China-Africa Development Fund (CADFund) under the Partnership for Investment and Growth in Africa (PIGA) project.

More than 40 concrete business and investment leads were generated during the event for an estimated total value of USD 26mn.

**Pursuing business leads**

A Kenyan company that grows a special variety of chillies for processing into lipstick received an invitation to visit a Chinese investor to discuss follow-up actions. The Chinese investor called the matchmaking event ‘an eye-opener that proved to be really instrumental in developing a partnership with a Kenyan company’.

A Zambian honey producer found a new market for his product and concluded a contract to ship 500,000 bottles of honey to new clients.

Soy oil processing companies from Zambia found a Chinese partner to expand production.

A Chinese company specializing in poultry breeding showed interest in investing in poultry breeding in Ethiopia, Kenya, Mozambique and Zambia.
Promoting investment and development

The matchmaking event was organized under the PIGA project, funded by the United Kingdom’s Department for International Development (DFID). PIGA is a joint United Kingdom-China partnership to increase sustainable economic growth in African countries through investment-led exports and local development in agro-processing and light manufacturing.

ITC, CCPIT, CADFUND, DFID and High-level representatives from the Jilin People’s Government and the Ministry of Commerce (MOFCOM) opened the event. Investment promotion officers from Ethiopia, Kenya, Mozambique and Zambia presented the investment climates and policies in their respective countries to the Chinese investors.

The private sector also supported the event, including two Chinese companies that are pioneers in Africa investment, CGCOC Group and Jihai Agriculture Investment and Development Group.

Investing in African businesses

To mobilize $4 billion to develop a livestock agro-processing industrial park in Ethiopia, ITC organized a side event targeting Chinese and Ethiopian companies interested in taking part in the investment project led by the CGCOC Group. Mr. Xuejun Jiang, ITC Chief of Office for Asia and the Pacific who moderated the side event, stated that PIGA was pleased to support the promotion of this project in view of its potential economic and social impact to Ethiopia. Ms. Masarrat Quader, Regional Private Sector Adviser - Invest Africa at the United Kingdom of Great Britain and Northern Ireland’s Department for International Development (DFID), highlighted the potential of this new industrial park to be a game changer for the sector in Ethiopia and to create up to 25,000 new direct and indirect jobs for Ethiopians.

Mr. Afework Shimelis, Minister Counsellor of the Embassy of Ethiopia in Beijing, and Mr. Zhang Yuzhon, Deputy Director General, Department of Investment Promotion Agency of MOFCOM, underlined the economic and development impact of the project. The side event generated lots of investment interest among the companies which attended this event.

In preparation for the business matchmaking event, ITC organized a one-day workshop for African companies to receive practical, hands-on knowledge about negotiation skills. An ITC expert also advised African companies on making strong investment proposals for Chinese investors.

Tapping investment opportunities

The light manufacturing and agro-processing sectors in Africa remain largely untapped. Large-scale investments from China are already largely taking place through mining, oil and infrastructure projects across Africa. However, only about 10% of Chinese investment projects in Africa from 1998-2012 were in agriculture and manufacturing. Investment in export-oriented activities would help African exports become more diverse and create new opportunities.

The PIGA project focuses on attracting investment in the productive sectors of light-manufacturing and agro-processing to help develop backward linkages, processing capacities, local value addition and job creation.

Through PIGA, ITC facilitates investment in Africa by providing capacity building and advisory support to companies and investment promotion agencies in Ethiopia, Kenya, Mozambique and Zambia. ITC will continue to provide information to Chinese investors on investment climates in Africa, as well as investment-ready African companies that could be potential partners in their investment projects.
Participants attending the PIGA Business Match-Making Event in Changchun, China, embarked on a field visit on the third day of the event, 5th September 2017, to discover production processes and extension services for agro-enterprises.

The group, composed of participants from companies of the four African countries, DFID, CCPIT and ITC representatives, visited a meat processing plant of Haoyue Group, the largest beef producer in China, located in the outskirts of Changchun. They learned about advanced production processes, including the automation of the production chains, from meat processing to packaging. They also discussed how resource, inputs and value addition can be optimized and result into various consumable by-products.

The group was then welcomed at the Agricultural Information Service Centre of Jilin Province to learn how to extend efficient and practical support services to farmers and agro-enterprises. This 45,000 square meters brand new information service centre offers facilities for quality inspection of agricultural products, prevention and control of crop diseases and insect pests, agricultural information and vocational training for farmers.

The participants were very enthusiastic and impressed by the services offered to agro-enterprises by the Centre, especially in terms of precision, automation and real-time provision of information to farmers. They expressed their desire to see similar information centres set-up in their countries to support the development of the agro-processing sector.

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Prep talk to visitors before entering the production zone at Haoyue plant

A display of products from Haoyue during the plant visit

The call center dedicated to address farmers and agri-business enquiries at the Agricultural Information Service Center of Jilin Province

Real-time information on critical elements for farming and agricultural activities
The “PIGA Business Match-Making Event” held in Changchun, China attracted media both from local media in Jilin province as well as Chinese national media.

Links to some of the press articles (in Chinese) are listed below:

中国（吉林）与非洲四国农业合作暨企业对接研讨会举行
http://www.fmprc.gov.cn/zflt/chn/zxxx/t1492115.htm
http://zhengwu.cniwang.com/zwtjbd_1130/201709/2496000.html
http://www.jlcoop.gov.cn/snxx/nyyw/201709/t20170907_3441946.html

中国与非洲四国农业合作暨企业对接研讨会举行
http://www.chinaneast.gov.cn/2017-09/05/c_136584260.htm

中国（吉林）与非洲四国农业合作研讨会在长春举行
http://item.btime.com/034i1sg7e7e71al0l1vqb1csvtk
http://www.sohu.com/a/169359028_555888
http://news.china.com.cn/txt/2017-09/04/content_41526680.htm

陈洲副会长出席中国（吉林）与非洲四国农业合作暨企业对接研讨会并致辞
http://www.ccpit.org/Contents/Channel_3434/2017/0905/872637/content_872637.htm
http://www.ccpitbingtuan.org/index.php?m=content&c=index&a=show&catid=8&id=2409

非洲四国向我省企业发出投资邀请
http://ccwb.1news.cc/html/2017-09/05/content_537299.htm

非洲四国赴中国农业大省吉林开展项目对接合作
http://news.hexun.com/2017-09-04/190714603.html
http://www.zgmsbb.net/a/caijingxinwen/20170905/148784.html
http://mhminghao.com/betgwkh/24.html
http://www.flamenews.net/licai/78877.html

中非农业合作受关注
http://www.focac.org/chn/zxxx/t1490458.htm
http://gov.cn/xinwen/2017-09/04/content_522639.htm
http://www.zgmsbb.net/a/caijingxinwen/20170905/148870.html
http://www.erhainews.com/n5317619.html
http://www.cfuuw.com/caijing/20170905/34540.html
http://stock.qq.com/a/20170904/191932.htm

肯尼亚驻华大使等非洲代表团参观东北亚博览会智能制造馆
http://www.ccpit.org/Contents/Channel_3523/2017/0905/872271/content_872271.htm
A WORD FROM OUR BENEFICIARIES AND PARTNERS

‘Many thanks to ITC for organizing the workshop and the Business Match-Making Event which provided us with a platform to learn more about PIGA and the interests of Chinese companies so that we can better strategize our next move.’

Mr. W.F.Kassa
Chief Executive Officer, Lelena Global PLC, Ethiopia

‘I am very grateful to ITC for the invitation extended to us to attend the Business Match-Making Event. The event yielded positive results, in which trade links have been made.’

Mr. Merian Kalala
Chairperson, Solwezi Foods, Zambia

‘I would like to thank ITC and all the project team for their support to CGCOC in participating in the Business Match-Making Event. It allowed us to share our experience in Africa and take the opportunity to present the Livestock Industrial Park project.’

Mr. Shi Dexiang
Deputy General Manager, CGCOC, China

‘I take the opportunity to thank the ITC team for the tremendous effort put into the B2B program held in Changchun, by ensuring that companies from Zambia meet their Chinese counterparts. I have an abide faith that from the interactions we had there will be some investments that will flow into Zambia. We look forward to continuing working with you on the PIGA project and many other projects.’

Mr. Chisanga Pule
Investments Promotion Officer, Zambia Development Agency

‘I met a lot of Chinese companies during the Business Match-Making Event. Some of the conversations I had opened-up my mind to new and bigger opportunities that I did not plan on discussing coming to this event.’

Mr. Abemelik Tafese
General Manager, Mabyon PLC, Ethiopia
Follow-up on business leads and partnerships

PIGA activities and events have enabled Chinese and African companies to discuss business and investment partnerships. The leads generated, especially through the last Business Match-Making Event held Changchun, Jilin Province, in September 2017, will be closely monitored and followed-up. Advisory support will be provided to the African investment promotion institutions and African companies to follow-up on the business contacts established with Chinese companies and maximize opportunities to concretize these deals.

The China – Africa – UK Investment Summit

The China – Africa – UK Investment Summit will be held in April 2018 in China. The Summit will provide concrete contributions on catalysing sustainable investment and trade from China to develop agro-processing and light manufacturing value chains in Africa, as a means to drive export expansion, economic growth and job creation. The event will be a platform to enable Governments to bring about change to facilitate more and sustainable investment in the four PIGA countries. The event will also include a B2B session matching African companies with Chinese investors for potential business and investment partnerships. The Summit will bring together high-level decision-makers, academia, and representatives from businesses, governments, and trade and investment support institutions (TISI) from Ethiopia, Kenya, Mozambique, Zambia, China and the UK.

National investment guides for greater awareness of investment opportunities and processes

The project will develop investment guides in both English and Chinese for Ethiopia, Kenya, Mozambique and Zambia, to provide Chinese investors with an exhaustive step-by-step approach to investment and rules of establishment in each country. The guides will present the legal framework within which foreign investors will operate. The IPAs jointly with ITC experts have started the preparation of the guides, which will be launched during the Investment Summit in April 2018 and made available to the online portals of TISIs in China and Africa.

Training for Trade and Investment Support Institutions in Africa

A training on investment and market potential assessment for TISIs will take place in the four African countries, starting in October. The training programme will enhance institutions’ capacities to advise foreign investors on trade opportunities (neighbouring countries/ regional markets such as COMESA SADC, and international markets such China, UK, etc.). The blended learning programme will combine e-learning content and remote mentoring with face-to-face workshops and group exercises.

Preparing African companies for the next B2B event

The second PIGA Business Match-Making Event will take place during the Investment Summit in April 2018 in China. The preparation for the event will include the identification, selection and training of participating companies in Africa. Trainings to be provided in early 2018 will build African companies’ capacities to effectively lead investment negotiations with Chinese investors, improve their investment proposals and optimize their promotional materials.