PARTNERSHIP FOR INVESTMENT AND GROWTH IN AFRICA (PIGA)

BUSINESS PARTNERSHIP EVENT

EVENT REPORT
PIGA BUSINESS PARTNERSHIP EVENT
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Date: 13-15 December 2016
Organizer: ITC, CCPIT, CADFund
Sponsor: DFID, CCPIT Guangdong Sub-Council
Venue: Crowne Plaza Guangdong City Center, Guangdong Province, China

OBJECTIVES

The objectives of the event were to:

- Prepare African companies to effectively interact with Chinese investors to initiate business partnerships;

- Increase awareness of Chinese investors on investment climates and opportunities in Ethiopia, Kenya, Mozambique and Zambia;

- Facilitate business meetings between African companies and Chinese investors to negotiate investment and business partnerships;

- Increase African companies understanding on Chinese export processing zone and high technology sectors as a leverage of economic growth, through the visit of Shenzhen Special Economic Zone (SEZ).

See Annex I for the background and the programme of the event.

PARTICIPANTS

The event gathered more than 300 participants from China and Africa, including:

- 168 business people from 127 Chinese companies interested in business partnerships with African companies;

- 70 business people from 46 African companies seeking business and investments opportunities with Chinese companies;

- 4 investment promotion officers from Ethiopia Investment Commission, Kenya Investment Authority, Investment Promotion Centre of Mozambique and Zambia Development Agency;

- 4 representatives from the embassies of Ethiopia, Kenya, Mozambique and Zambia in China;

- 2 Chinese companies, Jihai Group and Huajian Company, already investing in the African countries;

- 4 representatives from China Council for the Promotion of International Trade (CCPIT) regional councils including Henan, Jiling and Foshan CCPIT city council;

- Representatives from the International Trade Centre (ITC), the UK Department for International Development (DFID), the China-Britain Business Council (CBBC), the China-Africa Development Fund (CADFund) and the CCPIT.
RESULTS

Successful B2B meetings between Chinese and African companies

✓ 300 one-to-one meetings took place. In addition to the 224 scheduled meetings, approximately 100 “on the spot” bilateral meetings were arranged as additional Chinese companies attended.

✓ investment deals (approximately US$ 20 million) under discussion in the agro-processing and light manufacturing sectors

✓ Face-to-face meetings allowed many constructive business discussions. Areas of business partnership covered trade of goods, investment, mode of partnership, technology transfer, etc.

✓ Following the business meetings, many African companies arranged immediate follow-up company visits to continue discussions with Chinese partners on technology transfer, research and development, supply of manufacturing equipment, etc.

Increased African companies’ knowledge on doing business with Chinese

✓ The one day training held before the B2B was designed to deepen African companies’ understanding on doing business and conducting business meetings with prospective Chinese investors.

✓ Chinese and African entrepreneurs, the CCPIT senior legal expert, the China-Britain Business Council Executive Director and African investment experts shared their knowledge and experiences on building business partnerships with Chinese companies.

✓ Participating African companies confirmed the training deepened their knowledge on Chinese business culture and practices. The techniques learnt were useful for building effective partnership in the later B2B meetings.

Enhanced Chinese investors’ understanding on the investment climates and opportunities in Ethiopia, Kenya, Mozambique and Zambia

✓ Speakers from Investment Promotion Agencies (IPAs) from Ethiopia, Kenya, Mozambique and Zambia provided a detailed presentation on investment conditions and investment opportunities in the agro-processing and light manufacturing sectors in their countries.

✓ Participating Chinese companies learned about each country’s global and regional market access, the business environment, the legal and regulatory frameworks, the logistics and connectivity, as well as the government support for investing in the four countries.

✓ The investment profile of each African country was distributed to the participating Chinese companies. It included the overview of investment climates, rules and regulations as well as incentives for foreign investors.
TRAINING WORKSHOP 1: WORKING WITH CHINESE INVESTORS – UNDERSTANDING CULTURE, BUSINESS PRACTICES AND EFFECTIVE PARTNERSHIP BUILDING

Ms. Zhang Ying Sherry, Huajian Company, introduced the experience and lessons learned of Huajian Company when investing in Ethiopia. Ms. Zhang presented insights on Huajian’s decision to invest in Ethiopia, the achievements of the company and the challenges encountered for becoming a global shoe exporter. She summarized conditions to attract Chinese light manufacturing investors as: 1) labor force price advantage, power and water, raw materials availability and industrial parks’ special policies; 2) open and pragmatic national investment policies; 3) well-developed infrastructure; and 4) stable political environment. She expressed that China has rapidly developed over a few decades and that China’s experience could be useful to Africa, especially the companies’ experiences from Guangdong Province and Jiangsu Province, like Huajian.

Ms. Wang Linjie, CCPIT Deputy Director Commercial Legal Service Center presented the Chinese companies’ legal considerations when investing in Africa. Ms. Wang introduced the status of Chinese investments in Africa which amount to a total of 39.8 billion USD, in 2015. She introduced the main factors and risks Chinese investors will consider for investing in Africa as political environment, legal and policy aspects, cultural and managerial differences, etc. To attract Chinese investments into Africa, she suggested: 1) increasing cultural exchanges 2) stabilizing domestic politics and improving business and investment environment; 3) building a strong legal framework; 4) executing fair clauses in contracts and performing in good faith; and 5) developing international arbitration.

Mr. Yao Yunwu, Chairman of the Jihai Group introduced his experience on building effective China-African business partnerships in the agro-processing sector. He presented several collaboration models of Jihai Group’s with the locals in Zambia under the themes “Demonstrating and driving cooperation”, “Building the company and farmers’ households”, “Supporting small local vendors” and “Partnering for joint venture”. He provided some key points for African companies to build effective business partnerships with Chinese businesses such as mutual respect, understanding and tolerance on cultures and religions and abiding by the rules of the business operation to develop sustainable cooperation.
Dr. Kibuka Gethaiga, Expert on trade and investment, presented various types of investment partnerships African companies could consider when discussing with Chinese investors. Dr. Gethaiga noted several aspects African companies should analyze for developing business partnership such as market access, technology upgrade, technical skills and management skills, improvement of product quality and research and development. He highlighted the importance of mutual benefits, shared risks, trust, respect, transparency and integrity. It was emphasized that the later B2B meetings serve to initiate dialogue and business relations but need to be nurtured with thorough follow-up.

Mr. Jeff Astle, Executive Director at China-Britain Business Council (CBBC) shared the experience of the British companies on doing business with Chinese partners. Britain has initiated business with China in 1954, through the CBBC. Over the years, the council has facilitated 1,000 British companies set up in China and the council has now 130 employees. Mr. Astle presented the various steps to successfully conclude investment projects with Chinese investors and provided several practical tips for African business people for doing business with Chinese companies.

Mr. Abinas Ramet, CEO of Basan Electronic Manufacturing and Maintenance shared his experience of two joint ventures with Chinese investors. He highlighted several lessons learned such as 1) Chinese companies’ values and skills; 2) the resources to consider when developing a partnership (i.e. consultancy firms to help information collection and feasibility studies); 3) time consciousness; 4) the long-term perspective and the relationship building aspects of doing business with Chinese investors.

After the presentations, the interactive questions and answers session allowed the participating African companies to deepen the themes covered. Many companies showed interest in learning more on approaching and building relations with Chinese partners and asked more details on interacting with the interpreters and the Chinese partners during the B2B meeting and on exchanging business card with Chinese business.
BUSINESS PARTNERSHIP EVENT - OPENING SESSION: OPENING REMARKS

Mr. Luo Bingzhi, Vice Chairman of CCPIT Guangdong Sub-Council warmly welcomed the participants and officially opened the Business Partnership Event.

Ms. Zhu Lingyan, Deputy Director General, Department of Trade and Investment Promotion, CCPIT, introduced China and Africa important partnership for trade and investment. Ethiopia, Kenya, Mozambique and Zambia were China’s primary partners for international industrial cooperation and significant destination for Chinese companies’ “go global” strategy. Ms. Zhu expressed CCPIT’s commitment to work together with ITC, African governments and commercial associations to expend the network for China-Africa economic and trade cooperation and promote a comprehensive strategic partnership between China and Africa.

Mr. Wang Yong, Vice President, CADFund, emphasized the complementarity between the Chinese and African economies and development strategy and the mutual needs and advantages in pursuing development through cooperation. Mr. Wang reaffirmed that CADFund, in coordination with the China Development Bank, will promote Africa’s development and turned ‘made in China’ into ‘made in Africa and China together’. He explain that PIGA is the new brand for this cooperation as it is the conjunction point where Chinese and African entrepreneurs meet to do business, especially through business to business event such as this one.

Ms. Karen Maddocks, Deputy Consul-General, British Consulate-General in Guangzhou, highlighted the importance of PIGA to achieve the Sustainable Development Goals (SDGs) and to reach social development and poverty reduction through economic growth. She emphasized the importance of building local capacity, transferring technology and managerial know-how to achieve those goals in a sustainable manner. Ms. Maddocks praised PIGA as an excellent example of UK-China global partnership and a tangible contribution to enhance this partnership.

Mr. Ashish Shah, Director Division of Country Programmes, ITC, emphasized the innovativeness of the Business Partnership Event as the two selected sectors remain untapped by the Chinese investments and offer great opportunities anchored in existing African small and medium enterprises (SMEs). Mr. Shah highlighted the progress of the PIGA scoping phase and stressed that it represents the start of a new venture, as PIGA looks forward to continue supporting companies after the event.
BUSINESS PARTNERSHIP EVENT - OPENING SESSION: INVESTMENT CLIMATES IN ETHIOPIA, KENYA, MOZAMBIQUE AND ZAMBIA

Mr. Aschalew Tadesse Mecheso, Investment Promotion Team Leader, Ethiopian Investment Commission, introduced the investment climate in Ethiopia. Mr. Mecheso highlighted that Ethiopia’s economy sustained a rapid growth over the last decades and envisions being a middle-income country and leading manufacturing hub in Africa by 2025. He presented the economic and political environment, the market access and the investment policies of the country. Ethiopia enjoys demographic advantages and has important investment opportunities in the agro-processing sector such as in cotton, flowers, vegetables, fruits, herbs, as well as in the textile sector.

Mr. Rogers Amisi, Manager of Investors Services, Kenya Investment Authority, introduced the investment climate in Kenya. Mr. Amisi highlighted that Kenya was the business hub of the East and Central Africa. He presented the country’s investment overview and the opportunities in light manufacturing sector and agro-processing industry. Kenya is offering tailor-made incentives and guarantees to attract FDI, as well as an investor-friendly business environment. Numerous investment opportunities we presented in the agriculture and, the manufacturing sectors. Market access, taxation system, dynamic private sector, convenient transportation and other attractive aspects of Kenya’s economy were presented.

Mr. Nuno Antonio Maposse, Coordinator, Investment Promotion Centre (CPI), introduced the investment climate in Mozambique, the country’s market access to regional and global markets and its business environment. The key business opportunities in agro-processing and light manufacturing products were presented. The legal framework for investing in each sector as well as the government support and services were explained.

Ms. Jessica Chombo, Manager Investment Promotion, Zambia Development Agency (ZDA), introduced the investment climate in Zambia. Ms. Chombo presented the geographic and economic advantages of Zambia. The country enjoys both social and political stability as well as a healthy macroeconomic environment and an economic growth averaging around 6 percent per annum since 2003. She highlighted the investment opportunities in energy, tourism, agriculture, agro-processing, manufacturing and infrastructure development projects. She listed ten reasons to invest in Zambia including attractive investment incentives and duty free market access.
BUSINESS PARTNERSHIP EVENT- B2B MEETINGS

More than 200 Chinese and African companies met in Guangzhou, China, on 14 December to explore business and investment partnerships in the agro-processing and light manufacturing sectors.

The Business Partnership Event brought together African and Chinese companies looking for joint ventures and foreign investors to scale-up their businesses. Chinese companies explored opportunities in Africa during bilateral meetings, largely untapped by Chinese investment, which can help spur local economic development and job creation.

Chinese and African companies initiated investment deals during more than 300 one-to-one business meetings. All African participants were provided with a dedicated Chinese/English interpreter to facilitate the individual meetings and to overcome possible language barriers.

A Chinese company will provide wood processing equipment to a Kenyan enterprise, while exploring possibilities to import processed wood products from the same company. Discussions have been held to set-up an agricultural university in Africa with Chinese funding.

All four African countries arranged immediate follow-up company visits to continue discussions on technology transfer, research and development, supply of manufacturing equipment. Some will extend their stay in China to visit Chinese companies and potential investors met during the event. Chinese companies also confirmed they already plan to visit companies in Africa to further study investment opportunities identified during the B2B event organized by ITC.

For instance, a company from Kenya decided to arrange an immediate follow-up visit to a Chinese company to further explore the exchange of technical expertise and R&D as well as supply of equipment for manufacturing hygiene products in Kenya. The Chinese company meanwhile scheduled a visit to Kenya in early 2017.

The preparation of the event consisted in identifying African and Chinese companies interested in investment partnerships in the agro-processing and light manufacturing sectors and in matching them based on complementarities. In that regard, African and Chinese companies were required to fill a profile form providing details on their companies and expectations for the B2B. CCPIT promoted the B2B event to its members and the African investment promotion agencies and other business associations in Ethiopia, Kenya, Mozambique and Zambia promoted the event in their countries. Support was provided to the African institutions and companies to prepare for the B2B.

PIGA aims to help materialize the business deals initiated through capacity building of African institutions and companies, investment promotion, support to investors and public-private investment platforms.
✓ 300 business-to-business meetings held

✓ Investment deals (approx. USD 20 million) under discussion in the agro-processing and light manufacturing sectors

✓ 15 follow-up visits after the B2B event in Guangzhou
FIELD VISIT TO SHENZHEN SPECIAL ECONOMIC ZONE

A visit to Shenzhen Special Economic Zone (SEZ) allowed African participants to learn how Chinese companies operate, export and establish business partnerships in foreign markets. The visit also showcased the major success story in establishing special economic zones and export processing zones for attracting foreign direct investment, creating business growth and increasing jobs.

On 15th December 2017, a field visit to Shenzhen was arranged for African participants to see the special economic zones and learn how SEZ and exports turned a fisher village into a high-technology city. ITC, DFID and CCPIT representatives and participants from the four countries in Africa and from other organization such as the ODI (Overseas Development Institution) participated in the field visit.

CCPIT Shenzhen Sub-council held a panel discussion in Wuzhou Guest House where they shared Shenzhen’s experience in leveraging SEZ to create a technological hub and economic growth. They explained the following success factors: 1) openness to partnerships and foreign investors bringing new technologies, capacities and experiences; 2) committed governments promoting and endowing the city with special economic policies and flexible fiscal and non-fiscal measures; 3) university exchanges enabling local students to learn best practices from other universities, and ; 4) government policy allowing massive involvement of young people to contribute to innovation and entrepreneurship.

The Head of CCPIT in Shenzhen expressed his full support to PIGA and to participating African companies. He highlighted that future collaboration could be channel through an online tool to facilitate communication between African and Chinese companies and through the collaboration with the Africa-China Enterprise Centre in Shenzhen.

Participants also visited the ZTE Company, which is a leading global provider of telecommunications equipment and network solutions.

CCPIT Shenzhen Sub-council held a panel discussion in Wuzhou Guest House.
PIGA IN THE MEDIA

The “PIGA Business Partnership Event” attracted a lot of attention in the media. Mr. Ashish Shah, Director Division of Country Programmes of the International Trade Centre (ITC), Mr. Shantanu Mitra, Senior Economic Adviser, UK Department for International Development (DFID) Beijing, Ms. Zhu Lingyan, Deputy Director General, Department of Trade and Investment Promotion, China Council for the Promotion of International Trade (CCPIT) and Mr. Wang Yong, Vice President, China-Africa Development Fund (CADFund), were interviewed by several Chinese journalists.
Links to some of the press articles are listed below:

- 中非发展基金对非投资已达 40 亿美元
  http://news.xinhuanet.com/fortune/2016-12/14/c_1120116957.htm
  http://news.tom.com/2016-12-14/OKVF/39428766.html
  http://news.china.com.cn/live/2016-12/14/content_37493912.htm
  http://dzwww.com/xinwen/guojixinwen/201612/t20161214_15782717.shtml
  http://news.dayoo.com/world/201612/14/139998_50595465.htm
  http://mt.sohu.com/20161214/n475972388.shtml
  http://world.haiwainet.cn/n/2016/1214/c232591-30568317.html

- Chinese fund invests 4 billion USD in Africa
  http://news.xinhuanet.com/english/2016-12/14/c_135905401.htm

- 非洲四国企业代表访广东 学习中国外贸经验
  http://www.chinanews.com/m/cj/2016/12-14/8093966.shtml
  http://www.cankaoxiaoxi.com/finance/20161214/1519242.shtml
  http://news.163.com/16/1214/16/C88QD5QC000187V9.html
  http://economy.jschina.com.cn/system/2016/12/14/030245468.shtml
  http://finance.haiwainet.cn/n/2016/1214/c352345-30568324.html

- 非洲四国投资机构来华推介 200 余家中非企业在穗对接
  http://news.cn.cn/20161215/8903de9a-e7dd-4c33-efb4-4c4e5f765db2.html

- PIGA 项目范围明年有望扩大 中非发展基金已对非投资 40 亿美元
  http://news.21so.com/2016/21cbnews_1215/322131.html
  http://www.myzaker.com/article/5851c4231bc8e03d33000008/
  http://money.163.com/16/1215/05/C8A8KKJK00258056.html#from=keyscan

- 200 Chinese and African companies identified investment and business
  http://www.portugalglobal.pt/PT/PortugalNews/Paginas/NewDetail.aspx?newId=%7BCAC88F14-939D-4CAC-A0B0-49336D9F0411%7D

- Africa: 200 Chinese and African Companies Identified Investment and Business
  http://allafrica.com/stories/201612191024.html

- 中国与非洲四国企业经验交流会在深圳举行
  http://news.cnr.cn/native/city/20161215/t20161215_523345313.shtml
  http://dzwww.com/xinwen/guoneixinwen/201612/t20161215_15284274.htm
  http://mt.sohu.com/20161215/n475972388.shtml
  http://mt.sohu.com/20161215/n475972388.shtml
  http://china.huanqiu.com/hot/2016-12/9816486.html
Annex I: BACKGROUND AND PROGRAMME

Background

Africa has experienced high and sustained economic growth in the past decade. In many countries, there is increasing potential for structural transformation, to shift from low- to high-productivity activities for more inclusive growth.

Manufacturing and agricultural investments anchored in export markets offer great opportunities to make this transition happen. China’s large and growing importance as a trading partner and investor in Africa should help grasp these opportunities. Support to improve market information and intelligence, reinforce supply-side capacities, overcome regulatory barriers within the region and overseas, and improve access to finance, is important both for investment capital and trade expansion.

Under PIGA, the Government of the United Kingdom of Great Britain and Northern Ireland’s Department for International Development (DFID), the China Council for the Promotion of International Trade (CCPIT), the China-Africa Development Fund (CADFund) and the International Trade Centre (ITC) work together to increase sustainable investment for greater integration of SMEs into global value chains in the manufacturing and agro-processing sectors. PIGA aims at maximizing local development benefits, including the creation of more, better and inclusive jobs in four pilot countries namely Ethiopia, Kenya, Mozambique and Zambia.

Building upon the ‘Seminar on Investment Promotion to Ethiopia, Kenya, Mozambique and Zambia’ in February 2016 in Tangshan, China and the ‘Forum on Chinese Investment for Sustainable Trade and Economic Growth in Africa’ in May 2016 in Beijing, China, ITC will organize the Business Partnership Meeting to build direct business linkages with companies from four African countries and Chinese investors and to initiate discussions on future investment projects in these countries.

The Business Partnership Meeting brings together companies and investment promotion officers from Ethiopia, Kenya, Mozambique and Zambia and Chinese investors who have strong interests in investing in Africa.
## PROGRAMME

### TRAINING WORKSHOP FOR AFRICAN COMPANIES AND INSTITUTIONS

**Tuesday, 13 December 2016**

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<th>Session</th>
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<tr>
<td>09:00-09:30</td>
<td>Registration</td>
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<td>09:30-12:30</td>
<td><strong>TRAINING WORKSHOP 1: WORKING WITH CHINESE INVESTORS – UNDERSTANDING CULTURE, BUSINESS PRACTICES AND EFFECTIVE PARTNERSHIP BUILDING</strong></td>
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<td>Speakers</td>
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<td>Ms. Zhang Ying Sherry, Huajian Company</td>
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<td>Ms. Wang Linjie, CCPIT Deputy Director Commercial Legal Service Center</td>
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<td>Mr. Yao Yunwu, Chairman Jihai Company</td>
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<td>12:30-14:00</td>
<td>Lunch</td>
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<td>14:00-16:30</td>
<td><strong>TRAINING WORKSHOP 2: PREPARATION FOR B2B</strong></td>
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<td>Dr. Kibuka Gethaiga, Expert on trade and investment</td>
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### BUSINESS PARTNERSHIP EVENT

**Wednesday, 14 December 2016**

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<tr>
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<td>09:00-09:40</td>
<td>OPENING SESSION</td>
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<td>Ms. Zhu Lingyan, Deputy Director General, Department of Trade and Investment Promotion, China Council for the Promotion of International Trade (CCPIT)</td>
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<td>Mr. Ashish Shah, Director Division of Country Programmes, International Trade Centre (ITC)</td>
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09:45-10:30  INVESTMENT CLIMATES IN ETHIOPIA AND KENYA

Speakers
Mr. Aschalew Tadesse Mecheso, Investment Promotion Team Leader, Ethiopian Investment Commission (EIC)
Mr. Rogers Amisi, Manager - Investors Services, Kenya Investment Authority

Moderator
Mr. Xuejun Jiang, Chief of the Office for Asia and the Pacific, International Trade Centre

11:00-11:45  INVESTMENT CLIMATES IN MOZAMBIQUE AND ZAMBIA

Speakers
Mr. Nuno Antonio Maposse, Coordinator, Investment Promotion Centre (CPI)
Ms. Jessica Chombo, Manager Investment Promotion, Zambia Development Agency (ZDA)

Moderator
Mr. Shantanu Mitra, Senior Economic Adviser, UK Department for International Development (DFID), Beijing

11:45-12:00  INTRODUCTION TO PROCEEDING OF BILATERAL BUSINESS PARTNERSHIP MEETINGS AND DISTRIBUTION OF APPOINTMENT SCHEDULES

Speaker
Rob Kohlmann, B2B expert

12:00-13:00  Networking Lunch

13:00-18:30  INDIVIDUAL BILATERAL MEETINGS AS PER APPOINTMENT SCHEDULES

18:30-20:00  Networking Reception
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