NEWS: 02.6.2023

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February 6, 2023

ECA affirms support for Ethiopia’s trade policy agenda

The Economic Commission for Africa shares that it has recommitted to helping Ethiopia’s trade policy agenda that aims to foster industrialization and sustained economic growth. Furthermore, Ethiopia ratified the Agreement Establishing the African Continental Free Trade Area (AfCFTA) and is also negotiating its accession to the World Trade Organization (WTO). Evidence suggests that Ethiopia’s membership of the WTO and meaningful trading under the AfCFTA will increase economic growth, forex-generating exports, FDI create jobs and enhance the transparency and predictability of its business environment.

Italy's Eni signs $8 billion gas deal as Meloni visits Libya

According to *Africa News*, Italian energy giant Eni signed an $8 billion gas deal with Libya's state-run National Oil Corporation, “Eni”. It was the first major project in Libya since early 2000 and involved the development of two offshore gas fields. Eni said in a statement that "the overall estimated investment will amount to $8 billion, with significant impact on the industry and the associated

supply chain, allowing a significant contribution to the Libyan economy."

Africa50 invests in Ivorian company

Robert Li from *African Law and Business* shares that the Africa-focused investment bank Africa50 has made an equity investment into Ivorian company Scanning Systems. Tracing its roots back to 2012, Africa50 was co-founded by the African Development Bank (AfDB) and a raft of African governments with the aim of funding the development and growth of infrastructure on the continent. Both the Tassec Investment Holdings Africa and Africa50 will combine their expertise across development, administration and capitalization of infrastructure projects to further Scanning Systems' regional profile.

Taxpayers want Gov't to make tax cuts to stimulate economic growth

Alicia Kagan from *The New Times* reports that high tax rates in the country recently attracted public outrage urging the government to make some tax reforms. It will forego billions this year in the process of easing the current tax rates. Rwanda Revenue Authority (RRA) indicates that Value Added Tax (VAT) and Corporate Income Tax (CIT) account for about 50 per cent of tax revenues collected in the country. President Paul Kagame notes that while tax collections remain crucial for development, there should be strategic ways to ease the burden on taxpayers.

Private sector urged to "own and drive" the AfCFTA

The Economic Commission for Africa (ECA) shares that the private sector is recognized as an indispensable stakeholder in the African Continental Free Trade Agreement (AfCFTA). ECA estimates that by 2045 intra-African trade in agri-food, industry, and services sectors will increase by nearly 35% compared to a situation without the AfCFTA. Stephen Karingi, Director of Regional Integration and Trade at the ECA, noted, however, that the African private sector faces challenges. These include challenges in conducting cross-border trade due to non-tariff barriers such as complex customs procedures, lack of access to finance, high costs of transportation and logistics, and lack of access to information, among others. To counter this, the AfCFTA is expected to integrate and consolidate Africa into a single $2.7 trillion market by eliminating many of the barriers to trade present across the Continent.

How VAT export ruling will hit Kenyan firms

Julians Amboko from *The Business Daily* explains that multinationals and persons who export services from Kenya including cross-border consultancies have been dealt a blow after the High Court threw out a petition challenging the imposition of Value Added Tax (VAT) on their services. Kenyans exporting services to other jurisdictions will become less competitive due to the additional taxes now imposed on their services in a ruling that will embolden the taxman to go after big tech companies and other multinationals operating in Kenya. The High Court ruling on VAT on export services marks a major win for the Kenya Revenue Authority and the National Treasury given the ambitious targets set by the Draft Budget Policy Statement regarding VAT.

Kenyan tea earnings under threat due to Egypt and Pakistan's lower purchasing power

Gerald Andae from *The Business Daily* writes, “Kenya is staring at a possible loss of foreign exchange earnings from tea as Egypt and Pakistan grapple with a serious scarcity of foreign currency in those markets...” The two countries account for 55 percent of Kenya's total tea exports. The weakening pound in Egypt has negatively impacted consumers purchasing power as it fuels inflationary pressure in an economy where 60 percent of the population lives below the poverty line. Additionally, the Pakistani government urged its citizens to cut the volume of tea that they consume and moved ahead to limit the amount of money that importers can access from the banks to curb expensive imports in the wake of a weakening rupee. Both countries face their own challenges, affecting Kenyan tea earnings as a result.

Rwandan electricity tariffs still under review

According to Emmanuel Ntirenganya from The New Times, the Rwanda Government is still carrying out electricity tariffs review with the aim of reducing them in response to consumers’ needs, and lowering the cost of production. According to the Minister of Infrastructure, Ernest Nsanzimana, delays in issuing the revised electricity prices have taken long because of the large size of the sector. Once finalized, Nsabimana suggested that electricity prices were likely to go down as a result of increase in energy generation in the country, at relatively lower production costs.

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View online: NEWS: 02.6.2023

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