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Chinese EV Manufacturers Turn to Morocco Amid U.S. Subsidy Shift

According to *Africa News*, Chinese manufacturers began investing in Morocco to take advantage of potential $7,500 U.S. credits after the United States passed subsidies to boost domestic electric vehicle production. These investments in Moroccan factories, especially near Tangiers, aim to navigate new rules that limit sourcing from China. Morocco, benefiting from its free trade agreement with the U.S., has seen a significant influx of Chinese investments, with at least eight battery makers setting up operations there. This strategic move allows Chinese companies to comply with U.S. regulations and meet the rising demand from American carmakers while leveraging Morocco's existing car manufacturing infrastructure.

Kenya Reassesses Budget, South Africa's Trade Surplus, & Tanzania's Fish Export Surge

Afolake Oyinloye, writing for *Africa News*, reports that the cancellation of Kenya's Finance Bill 2024, following widespread anti-tax protests, has led the government to reassess the budget and seek alternative revenue sources to

avoid economic instability, providing businesses a reprieve from new taxes. South Africa reported a trade surplus of R20.1 billion in May 2024, due to a significant increase in exports and a slight decrease in imports, showcasing the country's strong export performance. Tanzania's fish exports surged by 41% over the past year, surpassing $200 million, driven by increased aquafarming production, highlighting the potential of aquaculture in boosting the economy.

Gabon Resolves World Bank Payment Dispute Amid Technical Issues

Africa News reports that Gabon's payment dispute with the World Bank has been resolved, as authorities cite technical issues for missing the June 30 commitment. The Ministry of Public Accounts confirmed arrears were paid after a leaked World Bank note announced the suspension of Gabon's right to loan and grant withdrawals due to a $17 million payment failure. The ruling junta, which took power from the Ali Bongo administration last year, emphasized its commitment to settling inherited debts.

Kenya to Increase Borrowing After Rejection of Finance Bill Amid Protests

Kenyan President William Ruto announced that the country will resort to more borrowing to address a growing budget deficit after rejecting a finance bill aimed at increasing tax revenue, reports *Africa News*. Following deadly protests, Ruto withdrew the bill from parliament, noting its failure hindered efforts to ease Kenya's debt burden, with 60% of revenues going towards debt servicing. Kenya plans to borrow one trillion Shillings ($7.6 billion) to fund social services and other programs, while the rejected taxes would have raised about $2.7 billion. Protesters argue the government should cut corruption and waste instead of raising taxes, and Ruto has pledged to reduce non-essential expenditure.

Cairo Summit Secures Billions in EU Deals to Boost Egypt's Economy and Energy Exports

According to *Africa News*, The Cairo meeting between President Abdel Fattah el-Sissi and EU Commission Chief Ursula von der Leyen resulted in the signing of deals worth billions of dollars. This follows a $7.9 billion funding package agreed in March to help Egypt tackle an economic crisis exacerbated by rising

debt, inflation, and currency shortages. In exchange for the funding, Egypt must increase energy exports to Europe and address irregular migration. The EU sees Egypt, with its substantial natural gas deposits, as crucial to replacing Russian energy. European companies signed over 20 deals worth more than 40 billion Euros at the conference.

Enhancing Maritime Trade: Mozambique and Tanzania Plan Coastal Shipping Services

According to *All Africa*, Mozambique and Tanzania are planning to establish coastal shipping services to enhance trade between the two countries, focusing on small and medium-sized enterprises. Mozambican President Filipe Nyusi emphasized the potential benefits during his visit to Tanzania, proposing a Business Forum to explore opportunities for maritime trade from Dar es Salaam and Mtwara to Nacala and Pemba ports in Mozambique. Despite a significant decline in bilateral trade from $55.8 million in 2022 to $20.1 million in 2023, both delegations expressed optimism about increasing maritime circulation in the near future.

Kenya Ports Authority Welcomes Uganda's Direct Fuel Imports at Mombasa Port

Ken Muthomi, writing for *All Africa*, reports that the Kenya Ports Authority (KPA) celebrated the arrival of Uganda's first directly imported fuel consignment at the Port of Mombasa. This milestone, marked by officials including Kenya's State Department of Petroleum Principal Secretary Mohamed Liban and Uganda's Minister for Energy and Mineral Development Ruth Nankabirwa, underscores enhanced collaboration in petroleum trade. Uganda's decision to import fuel directly from the Middle East via Mombasa's new Kipevu Oil Terminal signals a shift from reliance on Kenyan oil marketers. KPA Managing Director William Ruto highlighted the terminal's role in boosting port efficiency and attracting more oil tankers to Mombasa.

Kenya Expands Tea Export Strategy with International Buying Centers and Trademark Launch

All Africa reports that Kenya is expanding its tea export strategy by establishing international buying centers in overseas markets to broaden its commodity

reach and diversify export destinations. The country has launched the China-Kenya Tea Trade Centre in Fujian province and plans to set up a buying center in the United Arab Emirates, aimed at serving Middle Eastern countries. Additionally, Kenya intends to establish warehousing facilities for value-added tea in countries such as Ghana and the Democratic Republic of Congo. President William Ruto recently launched Chai Gold, an international trademark aimed at promoting Kenyan tea abroad, starting with a significant shipment to China. Kenya, the world's leading exporter of black tea, has seen increased tea earnings, reaching Ksh180.5 billion ($1.27 billion), attributed to higher export volumes and currency depreciation benefiting exporters. The Tea Board of Kenya is actively seeking new markets to reduce dependence on major buyers, which currently dominate 85% of total export volumes.

Turkey Mediates Somalia-Ethiopia Naval Agreement Crisis in Ankara Talks

According to *All Africa*, Turkey is mediating between Somalia and Ethiopia regarding Ethiopia's naval agreement with Somaliland, signed earlier this year. During talks in Ankara on July 1, facilitated by Turkish Foreign Minister Hakan Fidan, the foreign ministers of Ethiopia and Somalia discussed their respective positions to reach a mutually agreeable solution. Turkey, which has also signed a naval agreement with Somalia, appears to counterbalance Ethiopia's agreement with Somaliland, showcasing Turkey's renewed influence in the Horn of Africa. The talks concluded with a commitment to peaceful dispute resolution, facilitated by Turkey, with plans for further negotiations on September 2, although Somaliland, whose independence is unrecognized internationally, was not represented.

SADC Integration Spurs Investment and Industrial Growth: Insights from Fertiliser, Seed and Grain

Fungai Lupande, writing for *All Africa,* reports that the Southern African Development Community (SADC) regional integration efforts have spurred investments and industrialization, benefiting from improved transport logistics and collaboration. Fertiliser, Seed and Grain (FSG), operating across Zimbabwe and three other SADC countries, supports regional industrialization through efficient logistics and local material sourcing. With investments totaling US$1.2

million this year, FSG has expanded its operations, enhancing production capacity and contributing significantly to Zimbabwe's agricultural sector. The company faces logistical challenges but leverages regional cooperation to optimize supply chains and support economic growth across SADC nations.

Saudi Arabia Plans Agricultural Manufacturing Investment and Imports from Nigeria

Vincent Yusuf of *All Africa* writes that Saudi Arabia has shown interest in establishing manufacturing factories in Nigeria for farming equipment, according to Minister of Agriculture Senator Abubakar Kyari. This initiative aims to mechanize Nigeria's agricultural sector and was discussed during meetings with Saudi stakeholders. Additionally, Saudi Arabia has committed to purchasing 200,000 metric tons of red meat and one million tons of soya annually from Nigeria, which is expected to boost agricultural production and enhance the country's capacity in this sector.

African Investor-State Disputes: Insights and Challenges

Robert Li, of *African Law and Business*, writes that the report on 50 years of ICSID Arbitration and African States highlights Egypt and North Africa's prominence in investor-state disputes in Africa. It underscores the need for improved diversity and local representation among arbitrators, with only limited African and female participation. Despite these challenges, the ICSID framework remains crucial for resolving investment disputes in Africa, with widespread participation and a significant number of cases involving various sectors like oil and gas, manufacturing, and mining. The report calls for reforms to enhance inclusivity and address disparities in representation within the arbitration process.

Expanding Competition Law Expertise Across Africa: Bowmans Welcomes HB Senekal

African Law and Business's Natasha Doris reports that Bowmans has bolstered its Johannesburg competition practice with the addition of HB Senekal, a seasoned competition lawyer with extensive pan-African experience. Senekal's expertise spans various aspects of competition law across several African countries, including South Africa, Namibia, Tanzania, Zimbabwe, and others. His

arrival at Bowmans aims to expand the firm's competition footprint across the continent, leveraging his regulatory litigation and compliance training skills. Bowmans' leadership sees Senekal's appointment as a strategic move to enhance their service offerings and bolster their presence in Namibia following their recent expansion into the country earlier this year.

Rwanda's Tax Revenue Soars: A 25-Year Journey of Growth and Development Emmanuel Ntirenganya, writing for *The New Times*, reports that Rwanda's tax revenue collection has grown remarkably over the past 25 years, from Rwf68 billion in 1998 to over Rwf2.6 trillion recently, marking a 38-fold increase. The Rwanda Revenue Authority (RRA) attributed this growth to factors such as increased taxpayer registrations under electronic billing machines (EBMs), a VAT reward scheme encouraging invoice compliance, and a voluntary disclosure program for outstanding taxes. The tax-to-GDP ratio reached 15.1% in 2023/24, with projections to increase to 15.8% in the following fiscal year, supporting Rwanda's economic development and funding priorities like healthcare, education, and security.

Rwanda-Kenya Collaboration on Logistics Resilience

The New Times' Jessica Agasaro writes that the Private Sector Federation (PSF) of Rwanda and the Kenya Port Authority have agreed to collaborate on managing disruptions in global supply chains. This commitment was made during a Golden Circle breakfast meeting in Kigali themed "The Future of Logistics vs. the Ongoing Global Dynamics". The meeting aimed to enhance logistics efficiency and resilience through strategic partnerships, addressing challenges faced by both countries' business sectors amidst global crises like the Covid-19 pandemic and economic downturns. Key stakeholders from banking, policymaking, logistics, and government institutions attended, emphasizing the importance of cross-border cooperation in fostering economic growth and job creation.

Angel Investors Driving Growth in African Startups: Trends and Impact

Julius Bizimungu, writing for The New Times, reports that Angel investors in Africa are playing a pivotal role by providing capital and support that traditional lenders often cannot match. With investments totaling over $22.5 million

across 408 deals in early 2023, these investors are crucial for startups, offering patient capital and flexibility in lending terms. Operating primarily in tech-driven sectors like finance, agriculture, and healthcare, they contribute to economic growth and job creation across the continent. Despite challenges in some regions like Rwanda, where regulatory hurdles persist, the trend reflects a broader democratization of angel investing, signaling positive growth for Africa's startup ecosystem.

Advocating Fair Trade Rules: Africa's Push for Green Industrialization at the WTO

Julius Bizimungu, writing for *The New Times*, reports that the African Group at the WTO is advocating for reforms to WTO rules to make them fairer for developing countries, especially regarding support for green industries like solar and wind power. They argue that current rules hinder environmentally friendly economic growth in Africa. At a recent WTO Committee on Trade and Environment meeting, the African Group reiterated its call for reforms in trade rules, particularly in areas like subsidies, local content requirements, and technology transfer under agreements like ASCM, TRIMs, and TRIPS. They plan to present a detailed work plan at the WTO's General Council meeting in July 2024.

Events – 07/05/2024

"Sixth Africa Gender Statistics Forum." ECA. *Gaborone, Botswana*. 8-12 July 2024. "**StatsTalk-Africa: Creating National Reporting Platforms for the Sustainable Development Goals in Africa**." ECA. *Virtual*. 9 July 2024.

"**Africa Human Capital Heads of State Summit.**" World Bank Group. *Dar es Salaam, Tanzania*. 25-26 July 2024.

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