

USA Investing in Africa: The Hidden Story of 2021 Manufacturing

by Thomas R. Cutler

As the cloud of COVID begins to clear, Q3 2021 and beyond portends a tremendous growth opportunity between the United States and Africa. Historically international companies avoided investing in Africa due to reports of corruption, unsafe business environments, and poor government policies. That is changing. Several organizations and government initiatives include strategies eliminating these concerns while reducing poverty and promoting investments.

During this decade consumer spending in Africa will reach \$2.5 trillion; more than 20% of this spending will occur in Sub-Saharan Africa, excluding Africa's largest markets including Nigeria and countries in South Africa and East Africa. The continent is also experiencing mass urbanization which further increases consumer spending.

The African Center for Economic Transformation

The African Center for Economic Transformation (ACET) is a policy-formation organization with the goal of transforming Africa's economy into a sustainable, long-term market opportunity. The organization conducts research, develops policies, and provides advice to African governments. Fortunately, ACET's board of directors, management and senior staff, consist of a diverse set of employees (several of whom operated as executives for the World Bank, United Nations, and other government institutions).

ACET strives for both economic growth and DEPTH.

D: diversification

E: export competitiveness

P: productivity increases

T: technological upgrading

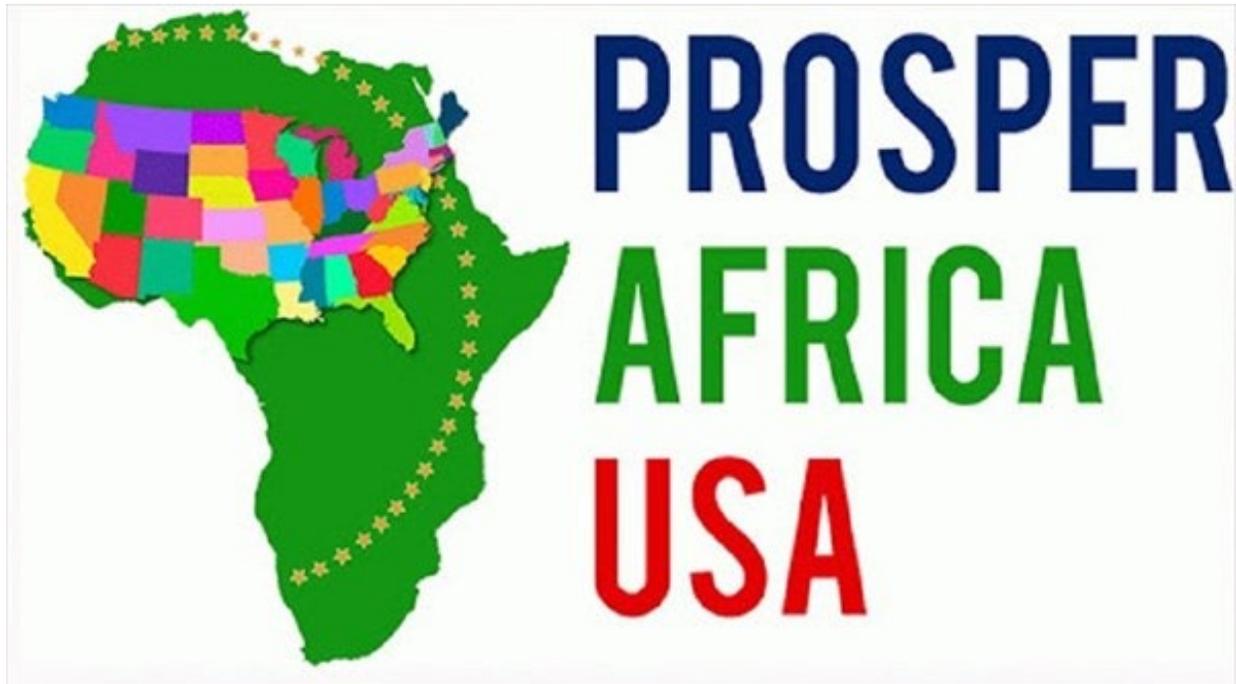
H: human well-being

African countries which expand manufacturing, generate more reliable jobs, and reduce poverty. ACET successfully operated in Rwanda with the creation of the African Transformation Forum (ATF) designed for specialists to exchange information, effectively develop policies and procedures.

Manufacturing will be a significant part of creating and promoting safe, reliable, and sustainable economies which attract international investors, create jobs, and reduce global poverty.

The US African Growth and Opportunity Act

The U.S. Government has enacted several policies that promote the development and transformation of economies in Africa, such as the African Growth and Opportunity Act (AGOA). AGOA provides African countries with the ability to participate in business transactions with the U.S.



For a Sub-Saharan African country to be granted access to this opportunity they must institute the process of establishing the following:

- Free-enterprise economy: This economy must enforce property laws, limit the abilities of the government to manage the economy, and utilize an open trading structure.
- Rule of Law: The law must treat all citizens equally. All citizens must have a right to a judicial hearing as well as a fair trial. African countries must also allow for the diversity of political opinions, interests, and lifestyles to coincide.
- Remove limitations on U.S. commerce: African governments must safeguard intellectual property, conclude trade debates, and support foreign ventures.
- Reduce poverty: Countries must pass legislation to eliminate poverty in respective regions. This includes improving healthcare, developing education systems, and upgrading infrastructure.
- Eliminate corruption: African officials must pass policies or implement task forces to eradicate corruption and bribery.
- Establish workers' rights: Countries must limit the hours of work per day, establish a minimum wage, and standardize safe working conditions.

This list of requirements incentivizes African countries to encourage manufacturing and transform economies into a reliable and business-friendly environment. This generates more business opportunities for international companies, reduce poverty in Africa and stimulate economic growth for the continent. Currently, 38 of the 54 countries in Africa are eligible for opportunities produced by

AGOA. The U.S. goal is to increase the number of countries eligible for these services and further promote the transformation of African countries.

African Members of the Manufacturing Media Consortium Grows 500%

The role of manufacturing in Africa can be measured in many different ways. A significant data metric includes the increasing number of media outlets covering Africa industry and membership in the Manufacturing Media Consortium, now more than 8000 members. Last year more than 200 media contacts throughout Africa have joined the organization which will be holding events in late 2021 and throughout 2022. Highlighting the progress of the African continent and the industrial sector should be on everyone's radar. As Rachel Maddow says frequently: Keep an eye on this space.