



**Hellenic Africa Chamber Interview**  
**Discussion with Dr. Alexandros Spachis**  
**Secretary General, European Business Council for Africa (EBCAM)**

**Please explain for those that are not familiar, the purposes and the action of European Business Council for Africa EBCAM since you took over the function of Secretary General.**

The European Business Council for Africa-EBCAM is a European Federation (non-profit organization) promoting economic development in Africa through private sector initiatives. Headquartered in Brussels, it is located at the heart of the EU & International institutions and the hub of diplomatic community.

We are the only organization that comprehensively represents the range of business activities undertaken in Africa by European companies. We are structured and divided into a large network of 10 national African Business Associations, where we, EBCAM, act as the umbrella organisation representing the combined national interests of our members through advocacy in (and information from) the European institutions, international organisations and African diplomatic missions in Brussels. Our members are Africa-targeted business councils from European countries and they in turn have some 4000 companies on their respective membership lists. Our members are therefore only national chambers, not specific enterprises. At our Brussels based office, as well as during our business travels, we intensively promote private sector engagement in Africa on a regular basis.

I will highlight below some important aspects of the work of EBCAM:

**Our principles**

- The private sector and viable business initiatives must be the main drivers of sustainable economic growth in Africa.
  
- More and more aid is not the answer to Africa's problems.
  
- Africa is the new global business frontier and we have an important role to play as a representative organ of the European private sector.
  
- Africa is a land of full opportunities for European Companies, but also with many challenges. This is precisely our field of expertise: through our broad



knowledge and experience of doing business on the continent, thereby helping to transform the challenges into opportunities.

### **What we do**

- We represent the interests of our members, advocating for them with key actors, such as the European Institutions. We work to be, in the eyes of the European Institutions, the principal interlocutor and advisor when it comes to European private sector expertise for Africa.
- We bring together our members to enable them to share information that is beneficial to each other.
- We create an integrated and powerful network of European Africa-locally based organizations. We encourage them to connect to help each other develop business expertise on the continent.
- We connect with other Brussels and international organizations related to development in Africa (such as the African Development Bank -AfDB).
- We contribute to the promotion of investment and employment creation through various private sector initiatives .
- And last but not least, we supply crucial information to our members, to help them make business decisions:
  - Daily succinct newsletter
  - Key-figures,
  - Facts about African macroeconomic trends,
  - Identification and analysis of dynamic sectors,
  - Updates on developments in European regulatory environment (including financing opportunities), UN system, OECD, ACP
  - Updates from African Embassies in Brussels
  - Relevant trends as seen in conferences, seminars and business events in Brussels

### **How we manage our business & Organizational matters:**

- Annual rotating presidency chaired by the President of the national Association in charge



- This President, the past President and the incoming President form the Troika and they, together with 2 more persons from the national Associations constitute the Executive Committee, which oversees the day to day management of the Brussels Secretariat.
- 3 General Assemblies per year, where the members participate in strategic decisions and exchange activity information among themselves, sharing political news from the continent (major interest), economic and business information-sharing, ideas-sharing, meeting with important partners  
We are not in the business of competing with our members but in working through them, encouraging them to do business together

### **Who are our partners and regular contacts in institutions?**

#### ➤ Partners:

- CCA – Corporate Council on Africa (USA)
- The EU delegations in Africa, including the Heads of Delegation and their political and economic teams
- The Eastern Africa Association, an organisation that represents the interests of foreign investors in the region
- Other “Sister” organizations in Africa

#### ➤ Cooperation with:

- The European External Action Service
- The European Union Delegations in Africa
- The European Commission
- The European Parliament
- The Economic and Social Committee
- The European Investment Bank (EIB)
- The African Development Bank (AfDB)
- The European Development Finance Institutions (EDFI)
- The African Union
- The Secretariat of the African, Caribbean and Pacific Group of States (ACP Secretariat) and other relevant organisations
- UN organizations
  - The Economic Commission for Africa (ECA)
  - UNIDO
  - UNCTAD



## **Our ambitions**

- Offering quality information and service to our Association members
- Strengthen our reputation and influence in the eyes of the European Institutions, International organizations and African diplomatic community in Brussels, as valid and respected advisors for policy making
- Widen the network of our European Members
- Have all the Africa-targeted institutions and organizations within our inner circle as informal partners
- Explain our principles and get more visibility through organising major business events in Brussels and animating sessions in major conferences – for example, seminars like the European Development Days

## **How do you assess the political and economic significance of Africa for the countries of the European Union?**

The political and economic significance of Africa is central to the interests of the EU. In the 21<sup>st</sup> century we face global challenges that can be addressed only in conjunction with an African perspective. To take just one example, the projected African population growth is huge. People living on the continent are expected to double from approx. 1 billion today to 2 billion people by 2050. By then, it is estimated that more than 50% of Africans will be younger than 18. They will need jobs, a lot of jobs and it is projected that Africa will need to create 20 million jobs annually to cater for the basic needs of the young African generation. This represents a very significant labour force, which could potentially be harnessed by the European private sector. Labour on the continent will be cheaper than anywhere else. In addition to the human capital potential for European companies there is also a growing African market within the continent due to an expanding and increasingly wealthy middle-class.

According to the McKinsey Global Institute, increased consumption by Africa's growing middle class means consumer spending will hit \$1.4 trillion by 2020. The economic significance is increasing and represents huge potential for European private sector activities in many different areas such as retail, to name just one example.

The political significance of Africa is also a major consideration. Without stable political conditions that will have to go hand in hand with the economic development, millions and millions of people could potentially leave their African homes in search of betterment in Europe. Consequently, for the European Union it is vital that support is provided for improved political stability in Africa and some broadly positive political



developments are to be seen on the horizon. An increasing number of countries can now be considered as democracies, where old-fashioned, authoritarian politicians and presidents have had to depart. The previously mentioned growing middle-class has become the driver for real democracy in Africa and there is mounting evidence that the momentum is gaining traction.

**How do EBCAM members view the prospects of economic relations with Sub-Saharan African countries?**

This is exactly what we discuss in our three General Assemblies each year. An essential part of the agenda is the sharing of assessments, information and experiences among members in an informal and confidential manner. I would say that most of our 10 members are principally interested in Sub-Saharan African countries.

**In which sectors and in which countries in Sub-Saharan Africa have EBCAM Members found significant investment opportunities?**

We especially see sectors like energy, infrastructure, agri-business and food and the service industry as the most important industries at the moment. Nigeria, Ghana, Kenya, Uganda, Rwanda, Ethiopia are among the countries that attract most attention at this juncture of time. On the negative side, South Africa is facing political upheavals and the decline in the global oil price has had a negative impact on the economies of Angola and Nigeria.

**What impact, in your opinion, will the developments in the Chinese economy have in sub-Sahara Africa and also the fall in oil prices?**

On balance, the business activities of Chinese companies have provided significant opportunities for African countries to grow, notably with regard to infrastructure development. Investments in all relevant sectors provide employment and today China contributes substantially to the GDP growth in several African countries. Its influence varies from country to country, but China is in many areas ahead compared to Western nations. Nevertheless, we must bear in mind that this is still quite a new phenomenon and we will see how it will develop in the upcoming decades.

Sustaining high economic growth is a policy priority for most countries on the continent. The oil-price decline highlights the need for oil exporters to diversify their economies, building up different kinds of industries and not only relying on the resources available. The fall in the oil price should be seen as an opportunity to do this



and it should not be forgotten that many African countries are in fact net importers of oil, so their economies stand to benefit quite considerably from the current low prices. Industry experts believe that there is an optimum price for oil that stimulates a rebalancing of the economies of the oil-exporting nations whilst at the same benefiting those whose economies currently gain from the lower global prices. In the long run, this is the main way to maintain sustainable growth, in particular in the two largest African oil exporters, Nigeria and Angola. To achieve such a transition will require policies to remove impediments to private sector activity and to improve the general business environment.

For many policymakers on the continent, the fall in oil prices reduces the need for fuel subsidies, which have largely been ineffective in benefiting the poor and the more vulnerable groups in society. Although Angola and Nigeria are large net crude oil exporters, they import most of their fuel requirements due to limited domestic refining capacity. In Angola, the government ended fuel subsidies as part of efforts to alleviate pressure on the budget. In Nigeria, the on-going fuel shortage crisis has highlighted the need to overhaul the energy sector, including the inefficient fuel subsidy system. There is therefore the need to strengthen resilience to external shocks through counter-cyclical fiscal policies to build buffers.

### **What advice can you give to Greek businessmen and traders related to Africa?**

We think that there are some notable business opportunities for Greek companies to do business in a wide range of African countries, particularly in those where there have been political and economic improvements. Compared to European and North American markets, many African markets are young and promise dynamic development with above-average growth rates. They are not saturated and there is space for new international players. In all relevant sectors we see scope for investment, especially in the services sector, as well as in the infrastructure and energy industry. Oligopolies are rare and that itself implies very important opportunities. However, doing business in Africa is closely connected to understanding the cultural and historical context of the various nations. Their business cultures are often very different from ours, relying more on interpersonal relations. It is therefore crucial to know and understand the conditions and cultural variables when investing in Africa, which is where the expertise and experience of EBCAM members can be very beneficial. We recommend not only dealing with the hard-economic facts of African economies but also to focus on African traditions and local business relationships. The willingness to be patient and accept local conditions is very important to succeed. Another piece of advice is to start in a relatively small way and not investing large amounts from the beginning. Such an approach enables potential investors to observe the processes and adjust working



methods accordingly. Investments in Africa are often riskier but returns tend to be higher, if you operate in hands-on way.

**What would be the benefits of EBCAM membership for the Hellenic African Chamber of Commerce?**

The benefits are already broadly spelled out in the questions above so I will only summarise below:

- Sharing of assessments, information and experiences among members
- Networking with some 4000 companies, members of EBCAM partner organisations
- Access to quality information from Brussels and from other members
- Access to advocacy and lobby services
- Access to EBCAM and other members events and services, on reciprocity principle
- Introductions to EU Institutions in Brussels, EU Delegations in Africa, African based EU Business Councils