

Report on Events by EAA – April 2018 – by John Small

APRIL 3RD – 5TH

The Regional Representative visited Kampala, Uganda, and whilst there, met the Deputy British High Commissioner, Representatives from the European Union, the Deputy Counsellor for Political and Economic Affairs at the US embassy, the Executive Director of the Uganda Investment Authority (UIA), the World Bank acting Country Manager/Senior Economist and the German Ambassador.

An EAA members' breakfast meeting was held after these to brief them on the discussions held and on regional issues of interest and also to obtain feedback on their views on the current business environment in the country.

Concerns were expressed generally about the EA Community (EAC) "not working as it should" as a Common Market to increase cross-border trade and also about the current continuing very unstable situation in South Sudan, once Uganda's largest export market. Much depends on President Museveni's efforts to help to broker some form of peace agreement, together with other leaders from neighbouring countries and the international community.

On the domestic front, the mood amongst members of the private sector was "generally more positive" in outlook compared with the past two years, with economic growth of 5.5% forecast for 2018 and a "clearer picture emerging about future oil production and refinery" in the country. Some US\$ 15 billion is projected to be expended on the infrastructure required to develop the oil sector, with "around 4 years" perhaps the optimistic timeline for this to be completed, including a heated pipeline through Tanzania through to Tanga.

There are some successful business sectors identified as boosting economic growth, notably financial and professional services, agriculture in general and property development. However, tax collections remain low, from a very narrow base still, and regulations need to be simplified. It was noted that the UIA had established a "One Stop Centre" to promote inward investment and to provide practical help.

APRIL 5TH/6TH

The Regional Representative visited Kigali, Rwanda and, whilst there, met the Deputy UK High Commissioner, Deputy German Chief of Mission, Political Officer at the US Embassy, acting Country Manager/Senior Economist at the World Bank, a representative of the Rwanda Development Board and the CEO of the Private Sector Federation. An EAA members' meeting was also held.

As a visitor to Kigali, especially after the rather chaotic traffic congestion in Kampala, one cannot fail to be impressed by the sense of order and discipline on the roads in the capital, which means a good number of visits/meetings can be held in one day. Regional issues for this landlocked country are always of special interest to EAA members, as the economic mood domestically remains broadly positive, with a government very keen to encourage private sector investment.

The Continental Free Trade Area (CFTA) treaty was signed by over 40 African countries recently in Kigali under the AU Chairmanship of Rwanda's President Kagame, with the others (notably South Africa and Nigeria, the two largest economies in sub-Saharan Africa) signing "Declarations of Intent". The move to eliminate many tariffs and remove non-tariff barriers, notably long delays at borders, across the continent, is to be welcomed although many challenges regarding implementation lie ahead.

APRIL 11TH

The EAA hosted a farewell lunch in London for the outgoing Kenya High Commissioner, HE Lazarus Amayo, who has been promoted to become Kenya's Ambassador to the UN in New York. The guests included the High Commissioners to the UK from Uganda and Tanzania, the Ethiopian Ambassador, a representative from the UK FCO and the recently-formed Institute for Free Trade, as well as the EAA Chairman and various invited members.

The EAA had established a very strong relationship with HE, who has provided much appreciated support for the Association's activities during his time in the UK. Hopefully we will be able to build on these with his successor.

APRIL 16TH

The EAA Chairman and CEO attended a private meeting organised on our behalf by the Tanzania High Commissioner to the UK, with the Vice President of Tanzania, who was in the UK to attend the Commonwealth Heads of Government meeting (CHOGM).

Concerns about the current business environment in Tanzania from the private sector were raised and discussed.

APRIL 17TH

The EAA Chairman, CEO and various selected EAA members attended a **Kenya Business Forum** chaired by HE President Uhuru Kenyatta. At this private gathering, HE provided a very articulate briefing on the current business environment in the country following a period of political uncertainty, which he explained was now over and the government was in a position to focus on development issues, including a number of important infrastructure projects. These included new roads, railways, greater access to electricity, improved communications, healthcare and education reforms and efforts to increase the manufacturing contribution to GDP.

He advised that Kenya had improved in the latest World Bank “Doing Business Report” from 130th to 80th and “the target was to reach 60th by next year and to become the second best in Africa”. In his answers to various questions, many of which came from the EAA representatives, he gave very clear answers and was able to view things very much from a business viewpoint, in particular issues in arbitration under the judicial process, as some important legal reforms had been implemented and many processes had been simplified.

The recently-signed Continental Free Trade Area (CFTA) treaty had seen Kenya, and the President, playing a leading role, being amongst the first to sign. He painted a very positive picture of a stable country with his government keen to attract foreign direct investment in a number of sectors where he believed they could generate positive returns. Having previously visited the London Stock Exchange earlier in the day, he saw particular opportunities in financial services and for Kenya to be seen as a regional hub with well-established sea and air links. He also commented on the current security situation in the country, explaining that the government was working hard with international partners to tackle the threat of terrorism, “not just for Kenya, but the world” and was pleased to advise that tourist numbers “had stood

up well and were on the rise". It was overall a very informative and useful business meeting and one which the EAA will seek to build on in the future.

CHATHAM HOUSE

Later in the afternoon of April 17th, HE President Kenyatta was the guest speaker at Chatham House, where he gave a very eloquent and thoughtful speech to a packed house, that included many representatives from the media.

He focused mainly on the values of democracy, explaining that in Kenya, after two recent elections, this was "maturing". He explained that his now famous and well-publicised handshake with his main political opponent, Raila Odinga, "was aimed at opening up a new front in Kenya" and that "he had reached out with the sole aim of uniting the country" which had "become divided along party and tribal lines".

He explained further that "we cannot achieve the social and economic needs of our people in an environment of constant political bickering" and that "political leaders must rise above the noise and focus on an agenda to deliver development and a conducive environment for business".

At the beginning of the Commonwealth Heads of Government Meeting (CHOGM) in London, this was an eloquently-delivered message of hope and aspiration which will have gone down well with his fellow Heads of State who will be attending, as well as the wider international community.