

A BRIGHTER FUTURE for the world's last great economic frontier

Despite the developed world's perception of Africa as uniformly plagued by political instability, conflict and corruption, sub-Saharan Africa has led the world in economic growth over the past few years. In fact, Africa is the highest profit-yielding destination for foreign investment. Moreover, a number of governments in the subcontinent are taking steps to improve the business climate in their countries by amending legislation, reducing corruption, liberalizing trade and investment restrictions, and limiting currency controls.



Photos: SNC-Lavalin

Mozal Smelter Project—SNC-Lavalin/Murray & Roberts Joint Venture, near Maputo, Mozambique

Canada and its G8 colleagues have made a commitment to respond to Africa's call for enhanced trade and investment and to work with African countries to create a framework that will increase investment—both domestic and foreign—in the continent. The New Partnership for Africa's Development (NEPAD), designed by African leaders, seeks to stimulate much-needed economic development and poverty reduction by creating a new partnership in the areas of investment, trade and development assistance. G8 leaders at the Kananaskis summit hope to encourage African governments to put in place the policies and institutions necessary

to promote sustained economic growth and reduce marginalization.

NEPAD calls for good economic and political governance, accountability and peer review as part of the broader strategy to bring Africa into the mainstream of the global economy, thereby decreasing its dependence on aid. All this means increased business opportunities for Canadian companies.

The Canadian advantage

Canadian companies have enjoyed a number of noteworthy successes in doing business with Africa. Some have been introduced to the continent via the Canadian International Development Agency's Industrial Cooperation Program (CIDA-INC), which provides support to Canadian firms seeking to invest in developing countries and promotes partnerships between the Canadian private sector and the host country client-partners.

Canada has a distinct advantage in Africa that it can build upon to strengthen its economic links with the continent. It does not carry the burden of colonialism, and it enjoys solid relations with many African countries through its membership in both La Francophonie and the Commonwealth. French and English

are the two main languages of business in sub-Saharan Africa, while French is the official working language in several North African countries. In many cases, these linguistic ties are complemented by cultural familiarity: many Africans have been educated in Canada or by Canadian teachers and are therefore familiar with Canadian culture and business practices.

Canadian exports to sub-Saharan Africa in 2001 were about 14 percent higher than in 2000. In 2001, Canada exported \$690 million in goods to sub-Saharan Africa and imported goods worth \$1.02 billion, while Canadian sales of services to the region were about \$1 billion and purchases of services totalled around \$300 million. Last year, Export Development Canada supported 207 exporters in 31 African countries; one-quarter of the business volume was in North Africa and three-quarters was in sub-Saharan Africa.

In 2001, CIDA-INC disbursed close to \$10 million to support Canadian companies doing business in sub-Saharan Africa, representing almost one-quarter of the program's total disbursements for that year.

The telecommunications sector is one of the strongest in Africa, with