



**HOW EUROPEAN FIRMS CONTRIBUTE TO  
SUSTAINABLE GROWTH AND DEVELOPMENT  
IN CAMEROON, GHANA, KENYA AND UGANDA**

# Economic Overview



**EUROPEAN UNION**  
 445 M  
 GDP €17 Trillion  
 Per Capita €41,000



**CAMEROON**  
 25.2 M  
 GDP €33 B  
 Per Capita €1,300



**GHANA**  
 28 M  
 GDP €52 B  
 Per Capita €1,856



**UGANDA**  
 43 M  
 GDP €26 B  
 Per Capita €609

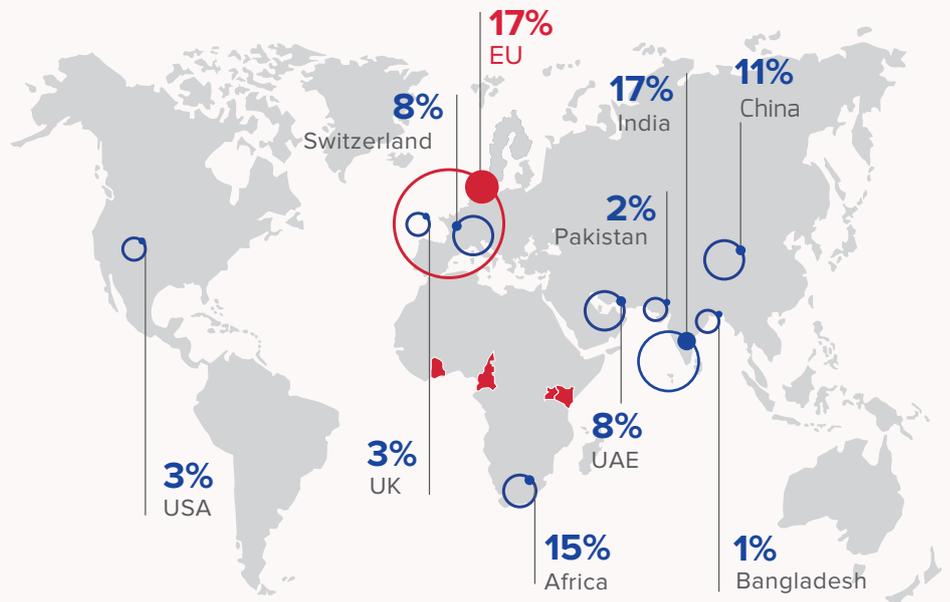


**KENYA**  
 47.5 M  
 GDP €39 B  
 Per Capita €1,900

## TOP 10 DESTINATIONS OF CAMEROONIAN, GHANAIAI, KENYAN & UGANDAN PRODUCTS

**THE EU IS THE WORLD'S LARGEST TRADING BLOCK**  
 It is the world's largest trader of manufactured goods & services & the main market for Africa.

The EU is the top trading partner for most African countries, representing 17% of all exports from Cameroon, Ghana, Kenya & Uganda in 2019. Their trade with the EU is growing, although other markets in Africa & Asia are also gaining importance.



## MAIN EU INVESTORS



## KEY EU-AFRICA PARTNERS

More than half of the analyzed EU investments in Africa are linked to 5 EU countries: France, Germany, Italy, the Netherlands & Belgium. Scandinavian countries follow them closely with important investments in the energy & transport sectors. Southern & Eastern Europe are coming in the last 10 years & focus on services & manufacturing goods.

# EU Investment



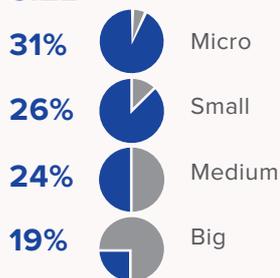
## AGE

### MATURE INVESTORS

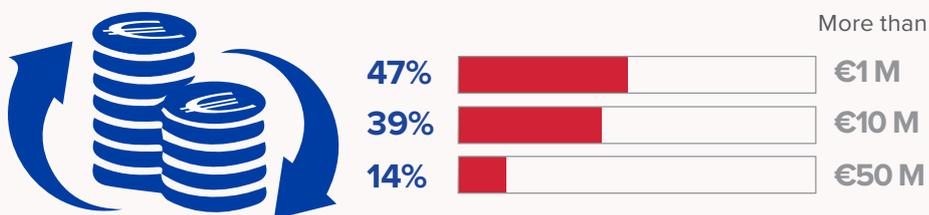
The EU investors in agrobusiness have been in Africa for more than 10 years, but the new investments are mainly in the services sector.



## SIZE



## TURNOVER



## SECTOR



## LOCATION

### CENTRALISED INVESTMENT

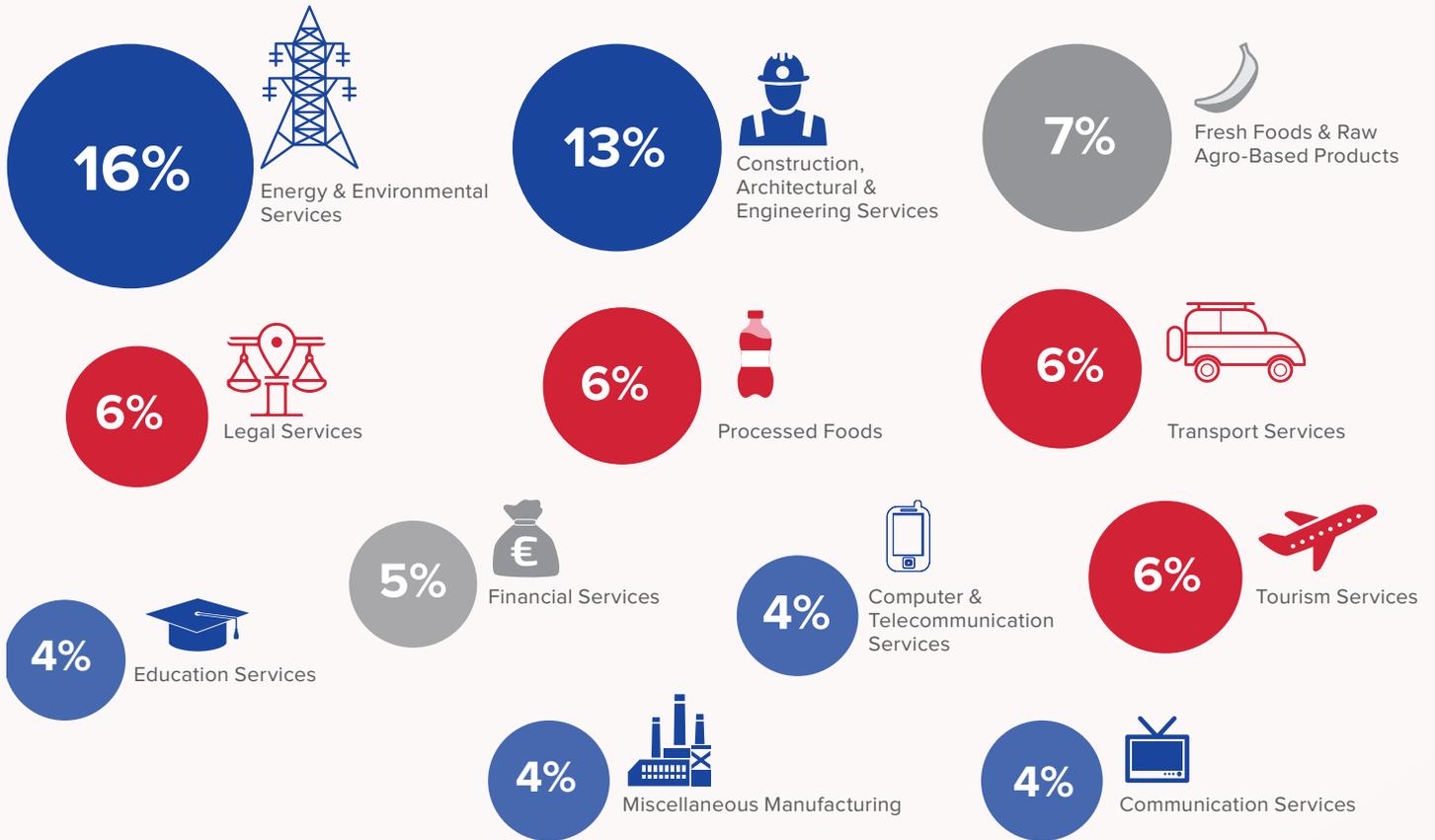
While agrobusinesses have their main office in major harbour or agricultural areas, the investors in the manufacturing & services sectors operate from the capital. Most EU investors have one central office covering the country.



# EU Investment

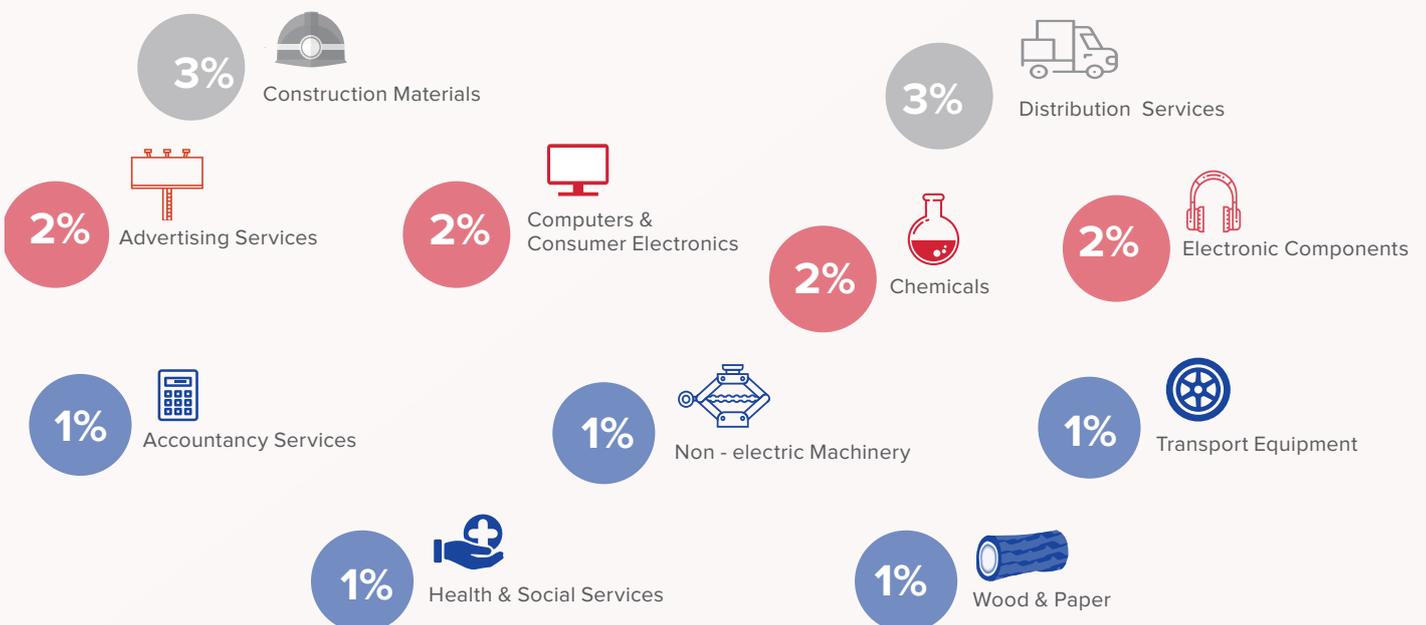


## SECTORS



### EU INVESTMENT EVERYWHERE: AGRICULTURE, MANUFACTURING & SERVICES

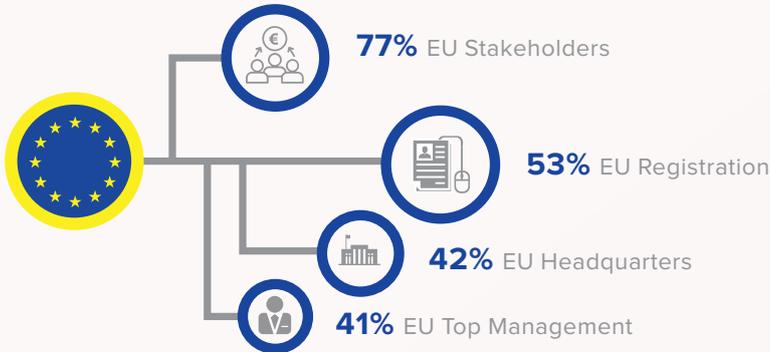
Energy, construction, transport, tourism, financial & ICT services cover 51% of the EU investment in the selected countries. Overall, services represent 70% of the EU investment in comparison with agriculture, fresh & processed products, which only represent 14%.



# EU Investment



## RELATION TO EUROPE



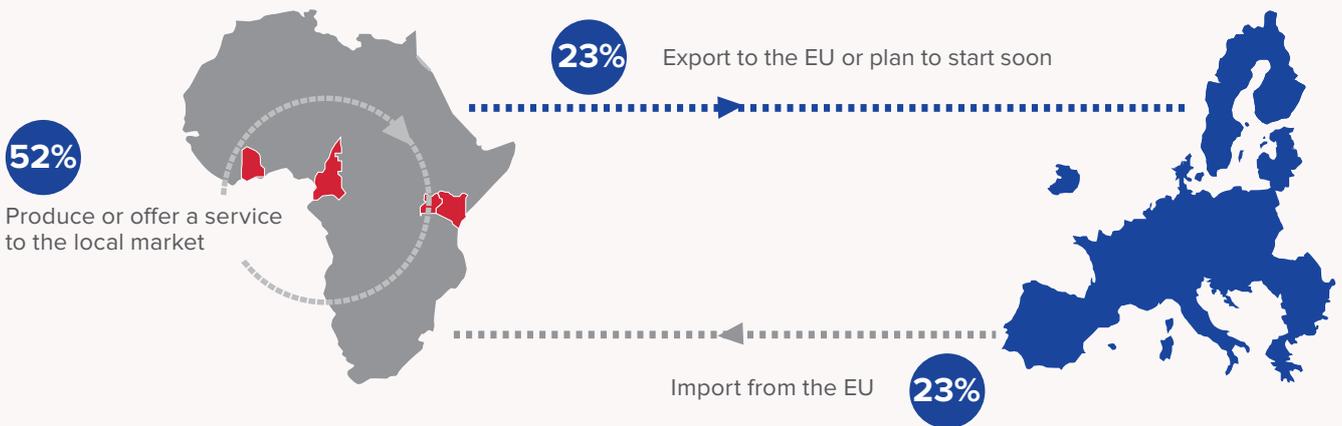
## MARKET OUTLOOK



## TRADE

### INVESTING IN AFRICANS

Despite popular belief, most EU investors focus on the local market rather than import/export activities.



## MARKET RELEVANCE

Pre-Investment & Now



# EU Investment



## ECONOMIC IMPACT



Annual turnover  
**€4,5 B**



Investment placed  
**€3,8 B**



Taxes paid locally per year  
**€970 M**



Investment forecasted in the next 5 years  
**€4,3 B**

### POSITIVE OUTLOOK

European firms invested almost €4B already & plan to increase this investment by 113% in the next 5 years.

## SOCIAL IMPACT

### EUROPEAN FIRMS RECRUIT LOCALS

- This applies across all sectors. Firms in the services sector often include a training budget to upskill workers.
- EU investors in Cameroon, Ghana, Kenya & Uganda are responsible for 6M local jobs, either direct or indirect.
- Women are almost half of the workforce in most services except for the construction, energy & ICT services. In the agriculture & manufacturing sectors, women are underrepresented.



Direct jobs  
**580,000**



Local employees  
**99%**



Women employees  
**9%**



Suppliers  
**5 M**

## CORPORATE SOCIAL RESPONSIBILITY



Actions  
**45,670**



Annual Budget  
**€325 M**



Carbon Footprint, Environment & Biodiversity  
Actions  
**17,834**



Annual Budget  
**€95 M**



Labor Policies & Fair Trade  
Actions  
**13,421**



Annual Budget  
**€88 M**



Training & Innovation  
Actions  
**14,415**



Annual Budget  
**€141 M**

### INVESTMENT IN PEOPLE

Eu investors are committed to the local environment & social communities.

Investors focus on the long term with almost all the firms (99%) having a CSR plan in place spending on average €414,000 per year.

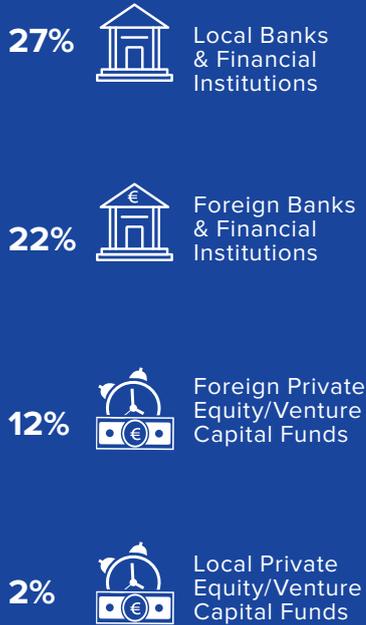
While the biggest budget goes to training activities, each firm allocates €120,000, annually, to environmental or fair trade practices.

From beach cleaning to recycling systems, from companies' medical check-ups to loans - EU investors are actively investing taking care of their employees & communities.

# EU Investment



## ACCESS TO FINANCE



### REINFORCING LOCAL BANKS

The use of local banks or financial institutions differs from country to country. The maturity of the local banking system is key for investors.



## BARRIERS



1. Access to Finance



2. Governance & Rule of Law, Justice, Anti-Corruption



3. EU Economic Diplomacy



4. Business Simplification



5. Business Tax Policy & Administration

# Best Practices to Improve the Business Climate



## 01 Access to Finance



- Supporting local banks with funds & technical assistance to increase access to credit to firms at reasonable costs & on reasonable terms.
- Creating financing lines with reimbursement over the long term to boost the recovery of the economy & improve the business environment.
- Creating alternative financing to new services (e.g. innovation or green industries) to foster sustainable development & a digital economy.

## 02 Good Governance



- Supporting the anticorruption whistleblowing practices & supporting the legal system to penalise corruption.
- Digitalising the public tenders for a more transparent monitoring.
- Fostering a non-tolerance policy towards any company involved in corruption.

## 03 EU Economic Diplomacy

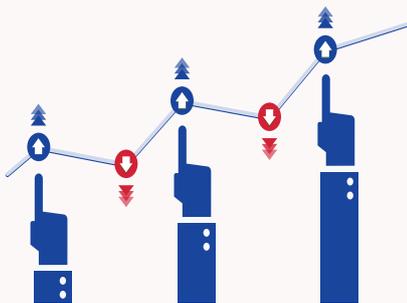


- Supporting European companies to invest in Africa.
- Reducing barriers to trade and negotiating bilateral and multilateral trade agreements.
- Supporting the creation of European Business Organisations to share know-how, advocacy and information among EU firms locally.

## 04 Business Simplification



- Digitalising processes to increase speed & accountability.
- Coordinating & streamlining the administrative procedures allowing different administrations to access the same data & simplify the user's experience.



## 05 Tax Administration



- Digitalising the public tenders to support a more transparent monitoring.
- Align & harmonize taxes.
- Digitalize the tax system to speed it up & coordinate data.

## INFORMATION ON THE EUROPEAN INVESTMENT PLAN (EIP)



The EU fosters public and private investment into neighboring & African countries via the EU External Investment Plan (EIP). The overall budget is €47 billion, with the European Commission managing €4.6 billion. This is done via:

- Guarantees – the EU works with banks to share the risk so that investors & development banks will finance entrepreneurs or development projects.
- Blending - the EU covers part of the costs of a development project to get it off the ground, with public & private investors financing the rest.
- Technical assistance - the EU funds experts to help firms to develop new projects, draft bankable business plans or to support governments in their investment policies.
- Investment climate reforms – the EU funds business reforms & brings together governments & firms to address investment challenges.

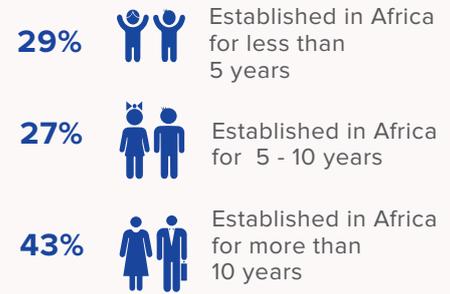
# EU Investment in Agriculture



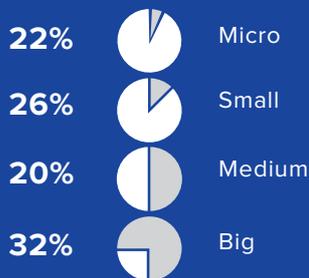
## SECTORS



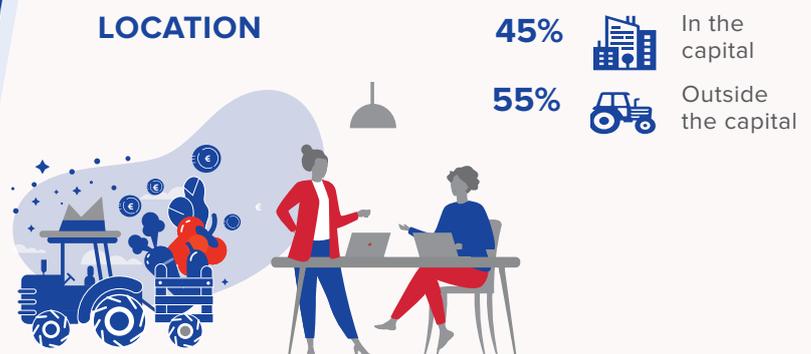
## AGE



## SIZE



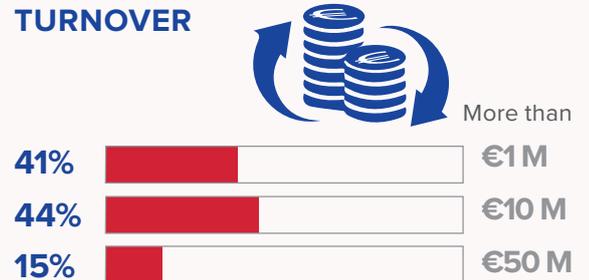
## LOCATION



## NATIONALITY

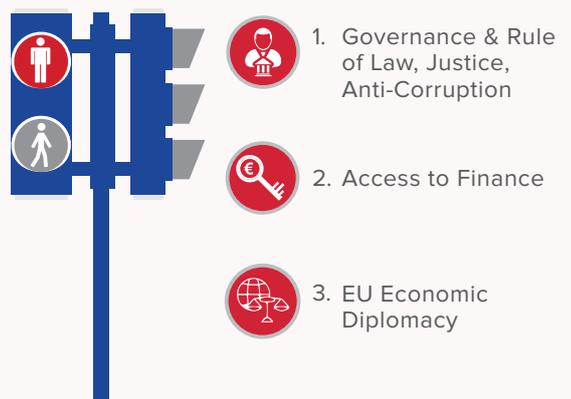


## TURNOVER



## BARRIERS

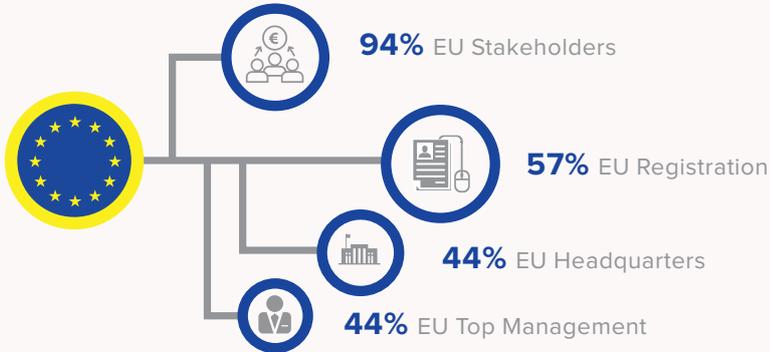
35% of the EU investors in the agriculture sector consider corruption & 32% think that access to finance are serious problems to expand their business.



# EU Investment in Agriculture



## RELATION TO EUROPE

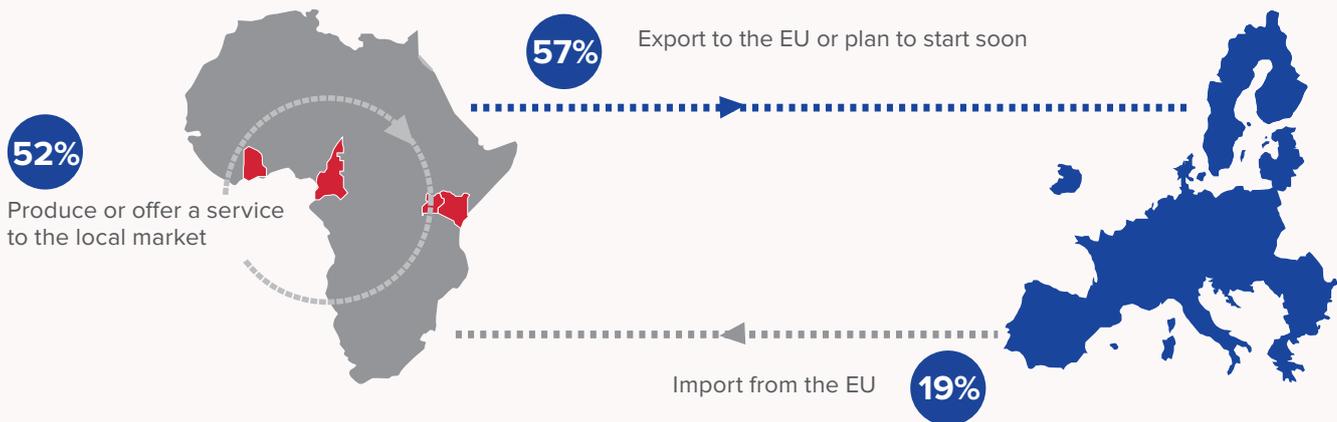


## MARKET OUTLOOK



## TRADE

Most EU investors based in Africa & exporting to Europe are in the agriculture sector.



## MARKET RELEVANCE

Pre-Investment & Now

Most EU companies investing in Africa due to the regional & international markets are in the agriculture sector.



# EU Investment in Agriculture



## ECONOMIC IMPACT



Annual turnover  
**€920**



Investment placed  
**€840 M**



Taxes paid locally per year  
**€140 M**



Investment forecasted  
in the next 5 years  
**€780 M**

*The EU investors in the agriculture sector plan to expand their investment by 93% in the next 5 years.*

## SOCIAL IMPACT



Direct jobs  
**140,000**



Local employees  
**98%**



Women employees  
**8%**



Suppliers  
**2 M**

## ACCESS TO FINANCE

*EU investors in the agriculture sector are more prone to use foreign banks & financial institutions in comparison with other sectors.*



**31%**



Local Banks & Financial Institutions

**26%**



Foreign Banks & Financial Institutions

**2%**



Foreign Private Equity/Venture Capital Funds

**10%**



Local Private Equity/Venture Capital Funds

**19%**



Relatives & Friends

**55%**



Company Profits

**12%**



HQ Funds

**0%**



Stock Exchange

## CORPORATE SOCIAL RESPONSIBILITY



Actions  
**12,896**



Annual Budget  
**€76 M**



Carbon Footprint, Environment & Biodiversity  
Actions  
**7,800**



Annual Budget  
**€7 M**



Labor Policies & Fair Trade  
Actions  
**2,976**



Annual Budget  
**€64 M**



Training & Innovation  
Actions  
**2,120**



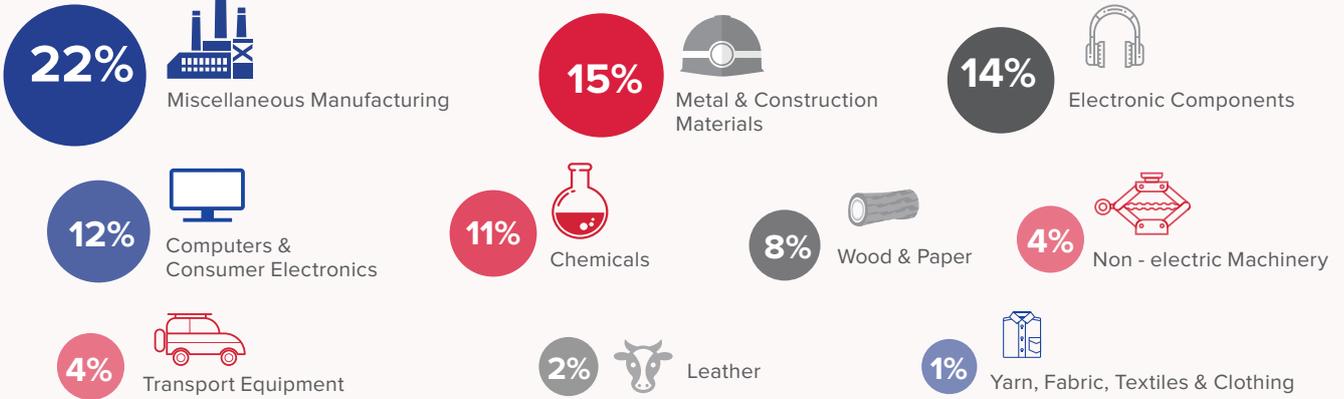
Annual Budget  
**€5 M**



# EU Investment in Manufacturing



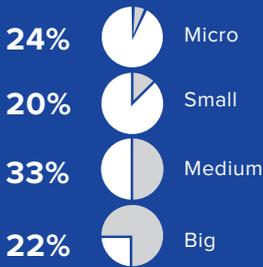
## SECTORS



## AGE



## SIZE



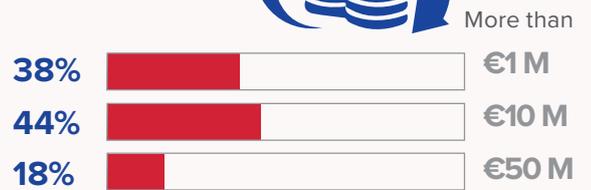
## LOCATION



## NATIONALITY



## TURNOVER



## BARRIERS

40% of the EU investors in the manufacturing sector consider corruption a serious problem to expand their business.

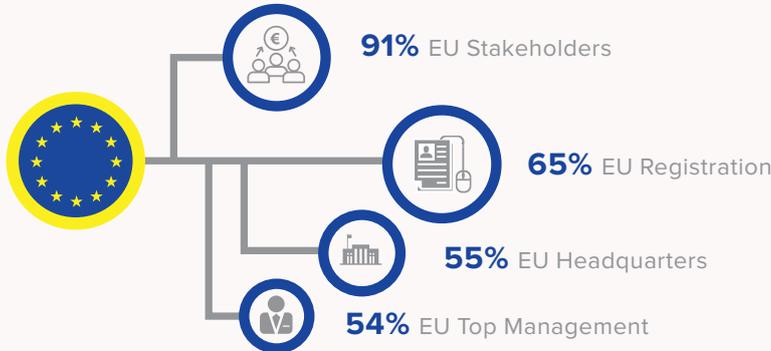


- Governance & Rule of Law, Justice, Anti-Corruption
- EU Economic Diplomacy
- Business Simplification

# EU Investment in Manufacturing



## RELATION TO EUROPE

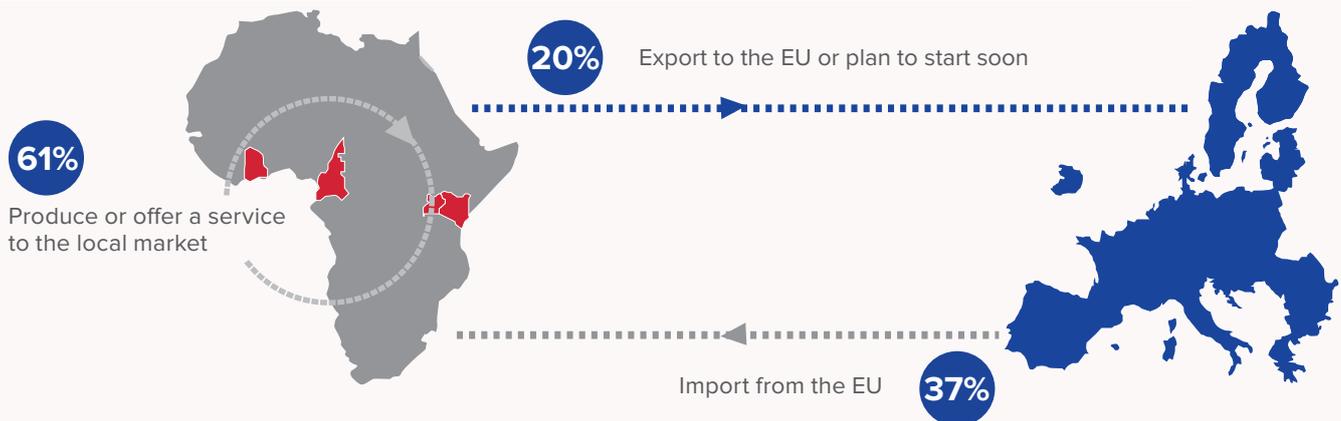


## MARKET OUTLOOK



## TRADE

Most EU investors based in Africa & importing from Europe are in the manufacturing sector.



## MARKET RELEVANCE

Pre-Investment & Now

Most EU companies investing in Africa due to the local market are in the manufacturing sector.



# EU investment In Manufacturing



## ECONOMIC IMPACT



Annual turnover  
**€1,1 B**



Investment placed  
**€890 M**



Taxes paid locally per year  
**€300 M**

*EU companies in the manufacturing sector have the highest percentage of local taxes paid.*



Investment forecasted in the next 5 years  
**€750 M**

*The EU investors in the manufacturing sector plan to expand their investment by 133% in the next 5 years.*

## SOCIAL IMPACT



Direct jobs  
**282,000**



Local employees  
**100%**



Women employees  
**3%**



Suppliers  
**898,000**

## ACCESS TO FINANCE

*Most EU companies based in Africa & benefiting from HQ funds are in the manufacturing sector.*

**41%** Local Banks & Financial Institutions

**37%** Foreign Banks & Financial Institutions

**4%** Local Private Equity/Venture Capital Funds

**8%** Foreign Private Equity/Venture Capital Funds

**11%** Relatives & Friends

**52%** Company Profits

**21%** HQ Funds

**3%** Stock Exchange

## CORPORATE SOCIAL RESPONSIBILITY



Actions  
**7,095**



Annual Budget  
**€95 M**



Carbon Footprint, Environment & Biodiversity  
Actions  
**1,501**



Annual Budget  
**€34 M**



Labor Policies & Fair Trade  
Actions  
**3,061**



Annual Budget  
**€2,5 M**



Training & Innovation  
Actions  
**2,533**



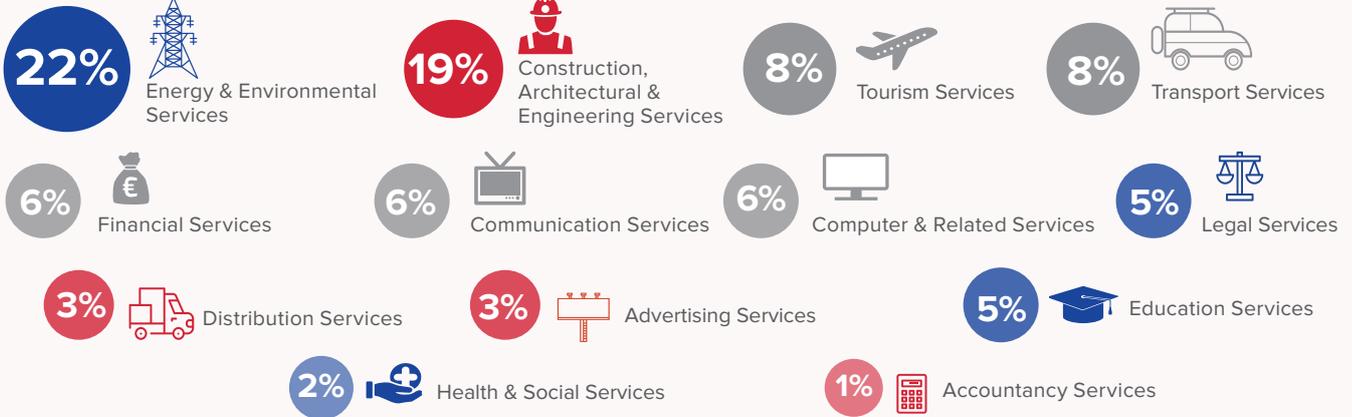
Annual Budget  
**€58 M**



# EU Investment in Services



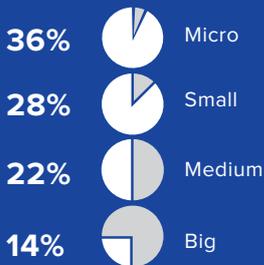
## SECTORS



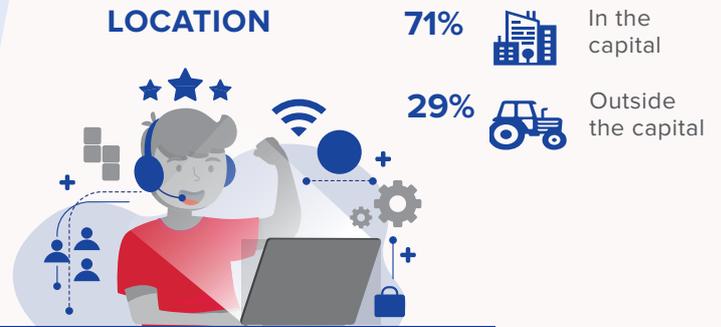
## AGE



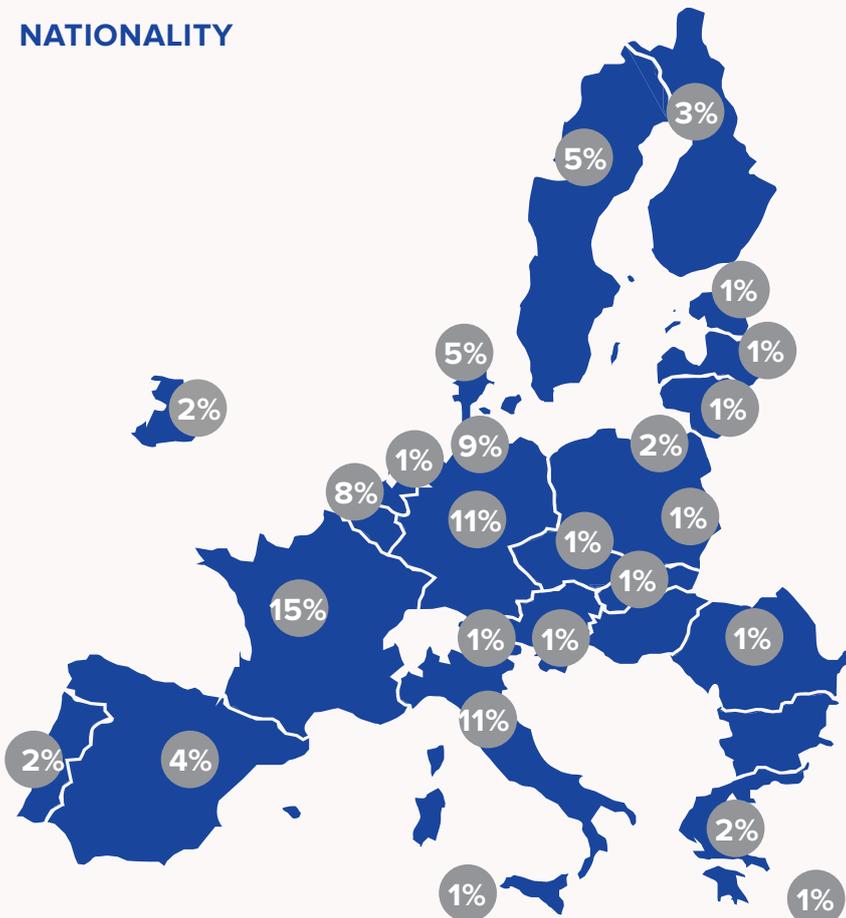
## SIZE



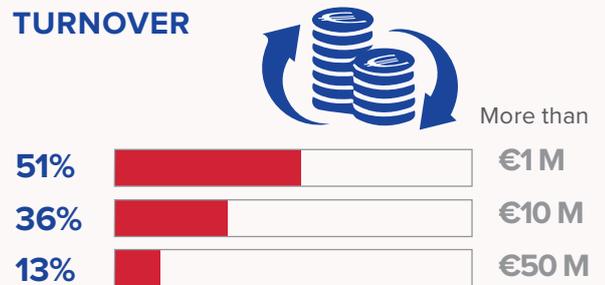
## LOCATION



## NATIONALITY



## TURNOVER



## BARRIERS

30% of the EU investors in the services sector consider access to finance a serious problem to expand their business.

- 
1. Access to Finance
  2. Governance & Rule of Law, Justice, Anti-Corruption
  3. Business Simplification

# EU Investment in Services



## RELATION TO EUROPE

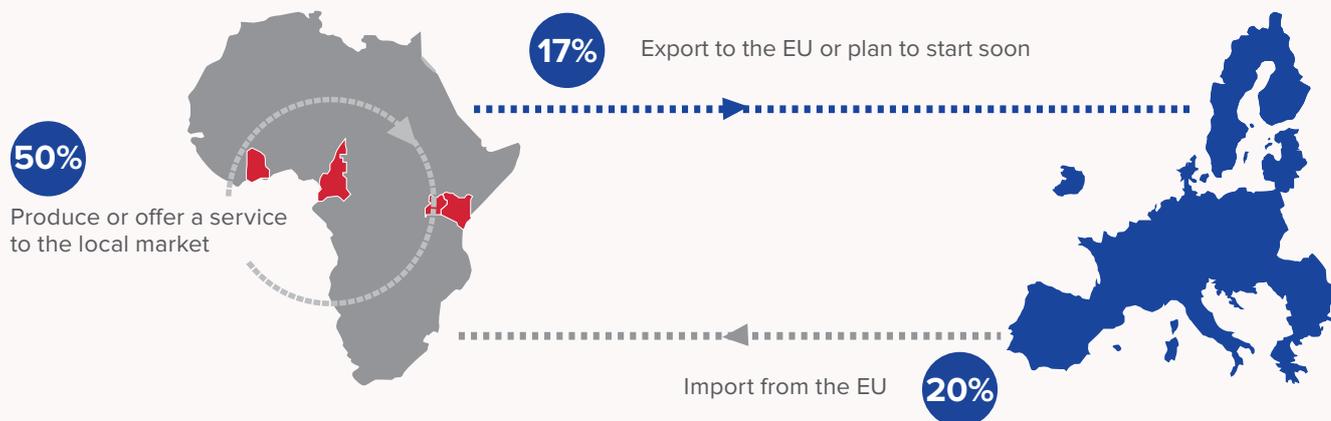


## MARKET OUTLOOK

Most EU companies who think that the local market will grow highly in the next years are in the services sector.

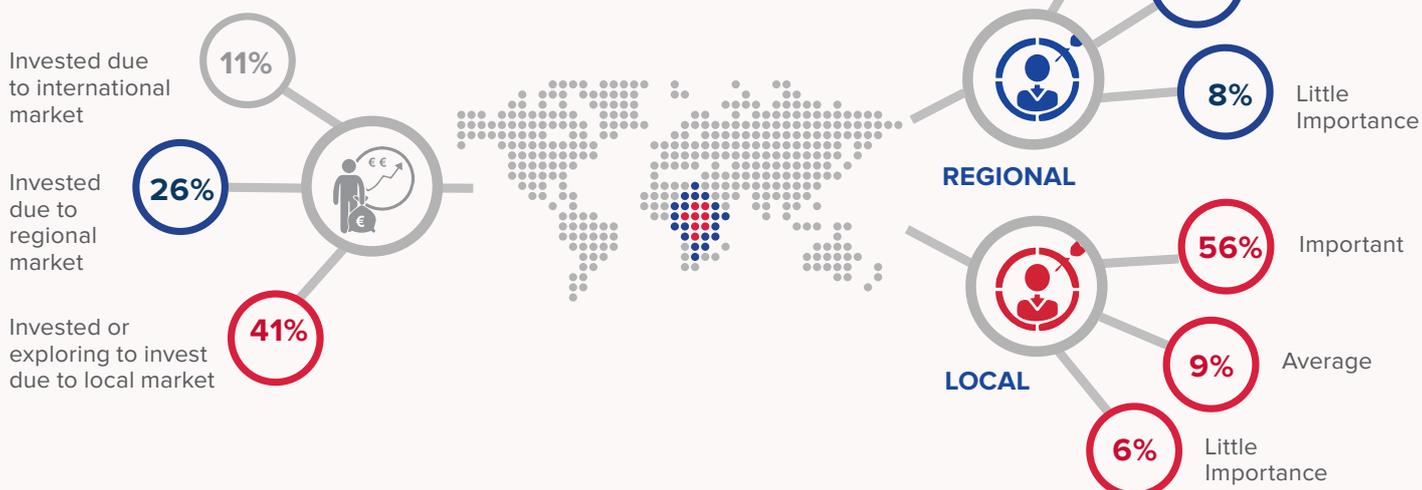


## TRADE



## MARKET RELEVANCE

Pre-Investment & Now



# EU Investment in Services



## ECONOMIC IMPACT



Investment forecasted in the next 5 years **€750 M**

*The EU investors in the services sector plan to expand their investment by 133% in the next 5 years.*

## SOCIAL IMPACT



## ACCESS TO FINANCE

*EU investors in the services sector are more prone to use private equity/venture capital, mainly from abroad.*



## CORPORATE SOCIAL RESPONSIBILITY



DEVCO C4's mission is to provide thematic guidance & support to European Commission headquarters & delegation staff, governments & private sector organisations in their effort to enhance the investment climate with a view to increasing investment in the partner countries, for decent jobs creation & sustainable growth.

The Trade & Private Sector Development & Engagement (TPSD) Facility is an on-demand advisory service managed by C4. It was launched in 2017, to increase the capacity of partner countries & European Union (EU) staff in Delegations & Headquarters to understand & implement private sector & trade policy orientations & further improve the quality of DEVCO interventions.

The team of experts provides technical assistance, knowledge management & communication support to EU staff. In 3 years, the TPSD Facility conducted 38 short term missions in 29 countries, dealing with value chain analyses, feasibility studies for the operationalisation of the External Investment Plan, the state of play of public-private & private sector mappings, including the EU investor mappings. This work has provided EU Delegations with valuable data & indications to tackle the issues refraining investment, such as access to finance, & promote support & projects aligned with key cross-cutting priorities, such as digitalisation.



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