BIO-ENERGY PROMISING OPTIONS IN AFRICA

By

The African Group
BACKGROUND

- The continent of Africa is the world's second largest continent after Asia,
- Total surface area, including several surrounding islands of 30,313,000 Km2.
- It stretches from 40 degrees latitude in the north to 34 35' degrees south and has 54 independent countries - 48 mainland and 6 island states.
- Estimated total population of 700 million.
The eastern region of Africa is home to the great wildlife reserves of the Serengeti plains and the Rift Valley lake system which stretch across the countries of Kenya, Uganda, and Tanzania.

The Economic Community of West African States (ECOWAS) is a solid geographical bloc of 15 states from Nigeria in the east to Mauritania in the west.
• The countries of Mauritania, Mali and Niger are located in the southern stretch of the Sahara Desert while the remaining countries are splayed out along the coast line.

• The francophone countries include the republics of Benin, Burkina Faso, Togo, the Ivory Coast (Côte d'Ivoire), Guinea and Senegal while the remaining states of Nigeria, Ghana, Liberia, Sierra Leone, and the Gambia have English as their official language. The Republic of Guinea Bissau is a Portuguese-speaking state to the south of Senegal.
North of the Sahara Desert lie 5 predominantly Arab countries all bordering on the southern shores of the Mediterranean Sea.

The three countries which form the Maghreb region, the Kingdom of Morocco which has laid claim to the state of Western Sahara (Sahrawi Republic), a former Spanish colony on its southern border, and the republics of Algeria, and Tunisia. The remaining countries are Libya and finally Egypt occupying the north-east corner of Africa and having an extension across the Gulf of Suez into the Sinai Peninsula through which runs the Suez Canal physically cutting off the continent of Africa from the Middle East.
Both Algeria and Libya have vast oil and gas producing fields and are active members of the Organization of Oil Exporting Countries (OPEC).

There are 6 independent island states associated with the continent of Africa. Off its west coast are the Cape Verde Islands off the coast of Senegal. In the Gulf Guinea off the coast of Gabon is the small island state of Sao Tomé and Príncipe. Off the east coast of Africa is the island republic of the Comores, and Madagascar, the world's third largest island with an area of 587,041 square km².
Further east in the Indian Ocean are the island republics of Mauritius and the Seychelles. Lying close to Mauritius is the island of Réunion, a dependency of France although its economy is closely linked to that of the east African coast and Indian Ocean islands.
While many write off Africa as the continent of despair, other enterprising individuals and organisations have recognised the huge, untapped potential of Africa and are actively pursuing business ventures across the continent.
Africa's opportunities, which range in risk from investing in emerging market funds or one of the listed multinationals active in Africa to trading with African partners, include:

- oil and gas (Angola and Libya);
- mining (West and Central Africa);
- privatizations (South Africa and Nigeria);
- international trade (oil producers and SADC);
- infrastructure (pipelines, roads, telecommunications);
- stock exchanges that are mushrooming in many countries;
- using educated English and French speaking African nationals;
- leisure (big game + beaches + golf + climate + satellite + Internet + cell + low cost structure = huge telecommuting opportunity).
Risks and Challenges

- The biggest challenge to doing business in Africa is the lack of quality information about Africa.
- Some of the other challenges of Africa are:
  - fluctuating currencies
  - bureaucratic red tape, which is slowly getting easier to wade through
  - graft and corruption, as much a fault of the non-Africans who pass the brown paper bags as the poor and often unpaid civil servant who accepts the bag.
- wars and unrest, though the changes in South Africa are starting to create a ripple of peace and democracy throughout the region
- lack of local capital
- monopolies such as marketing boards, state trading firms, foreign exchange restrictions, trade taxes and quotas and concentration on limited commodities all place a disincentive on exports, thus delinking Africa from the world economy.
- lack of infrastructure, though in areas such as telecommunications and energy, Africa is able to use new technologies to leapfrog more advanced economies
Environmental Challenges

- Water scarcity reaching the drought in many parts of Africa.
- Desertification is also available with some dramatic consequences.
- Biodiversity loss is exposed as a result of drought and desertification.
- The whole continent is exposed to the risk of climate change consequences.
Socio-economic Challenges

- Poverty is almost the common feature.
- Illiteracy or no access to school is a major risk.
- Corruption in some parts of the continent.
- Serious health alerts in some regions are also...