



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALY - AFRICA

BUSINESS-TO-BUSINESS DIALOGUE



Rome, 8 May 2024

CONCEPT NOTE

Africa is going through a phase of significant economic transformation, characterized by positive GDP dynamics in a growing number of countries and by demographic growth, which, in some cases, has continued without interruption since the mid-1990s.

In addition to the abundance of raw materials, there are various factors that are contributing to the growth and economic development of the African continent. Among these, the integration process driven by the entry into force in 2019 of the *African Continental Free Trade Area* (AfCFTA); the progress made on a regional basis by the various *Regionals Economic Communities* operating within the African Union; the growing investments in communication and transport infrastructures, which are promoting greater interconnection between African countries, especially on a regional basis. These factors have produced positive impacts on the growth of the private sector, favoring the development of a class of local entrepreneurs, often expression of the continent's younger generations. This is demonstrated by the impressive sustained growth, over the last few years, in the number of African *start-up*, which is having a positive impact on continental growth in various strategic sectors, including logistics and transport, renewable energy and agro-industry.

African companies are focused - and will be increasingly so in the near future - on creating and adding value to many of their productions, no longer just to export to international markets but, above all, to export to new and growing African markets, exploiting the driving force of the free trade area.

To this process of growth and transformation of the African private sector, the Italian industrial system, mainly based on small and medium-sized enterprises - can offer a relevant and mutually beneficial contribution. Our country, thanks to its projection in the Mediterranean and a historical presence on the African continent fueled by a strong vocation for economic cooperation and trade exchanges, is in fact very interested in this growth dynamic and wants to foster a new phase characterized by stronger economic ties with Africa. The launch of the Mattei Plan in January 2024 marked the beginning of this new phase. It lays the ground for a renewed partnership aimed at achieving shared growth, also through the promotion of trade and bilateral investments.

Some data clearly indicate Italy's commitment. Trade between Italy and Africa in 2022 reached 69.6 billion euros. In 2013, this figure was 47.3 billion, for an overall growth of 47%.

In 2013 the exposure of the *Italian export credit agency* - SACE - to Africa was just under 2 billion euros. In 2022, exposure to Africa was over €13 billion.

Italy's foreign trade agency - ICE Agenzia - had only one office in sub-Saharan Africa in 2013. Today, end of 2023 there are 8 offices south of the Sahara, in addition to the historic and deep-rooted presence in Northern Africa.

Since 2020, Cassa Depositi e Prestiti, in its role of Italian financial institution for development cooperation, has channeled close to 1 billion euro through 10 initiatives in favor of major development banks across the African continent. Regional and national development banks, whose governance is driven by local governments and stakeholders, are ideal partners to develop an equal and effective cooperation, maximizing local impact. In this regard, sectors supported include agribusiness, green and social infrastructures and SMEs, contributing to food security, climate action and jobs creation.

Furthermore, thanks to the volume of financing they manage for the development of African economies, multilateral development banks offer interesting opportunities for private companies in terms of procurement - for the supply of products, services or works.

For these reason, for their role of fundamental actors of the economic development of the African continent, their participation in the first dialogue event between the African and Italian private sectors is key.

This economic relationship between Italy and Africa is mainly based on interactions between private individuals, with a potential for collaboration that is bound to grow in the medium to long term. The ability of Italian companies to offer *know-how* and technological solutions, can offer an essential contribution to the development of "Made in Africa", encouraging transformation processes and consequently the positive evolution of the added value generated in African countries. The Italian industrial system, thanks to its SMEs and family businesses, is well suited to offering the tools to enhance the immense economic and social potential of the African continent in a mutually beneficial partnership logic.

The creation of new channels of cooperation with the involvement of the most representative business associations of the African continent can, therefore, contribute to further developing this all-round economic partnership, a "business-to-business" dimension which is still poorly structured today and which can support and help consolidate the institutional dimension of the partnership. The Italy-Africa Business-to-business dialogue, which will take place in Rome on 8 May 2024 aims to offer an opportunity for meeting and discussion between Italian and African business associations. They will enjoy a unique opportunity to discuss topics of common interest that concern the economic growth of the continent and collaboration in **key sectors** for its future - such as:



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

**THE ENERGY AND DIGITAL
TRANSITION**

SUSTAINABLE MOBILITY

AGRO-INDUSTRY

**THE DEVELOPMENT OF THE
MANUFACTURING SECTOR**

Conceived as one of the first steps in the implementation of the Mattei Plan, this initiative aims to represent a qualitative leap in the dialogue with the African private sector, laying the foundations for a structured and stable interaction with the protagonists of the continent's economic life, also through the launch of new partnerships and concrete industrial collaboration initiatives.



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

ENERGY AND DIGITAL TRANSITION:

SYNERGIES BETWEEN ITALY AND AFRICA

ENERGY AND DIGITAL TRANSITION

Africa is currently at a crucial stage in its development and the access to electricity is pivotal to boost a sustainable growth for the continent. With a rapidly growing population, which will reach 2.5 billion people by 2040, the continent is at the crossroads of global economic dynamics due to the immense potential that characterizes many African economies. However, despite the abundance of natural resources, Africa still suffers from serious energy shortages. Around 590 million Africans do not have access to electricity and energy demand is expected to double by 2040. Poor electrical infrastructure can reduce average growth rates by up to 2%, whereas, according to World Bank data, a 10% increase in broadband penetration in Africa could increase GDP per capita by around 2.5%. Furthermore, Africa is responsible for only 1% of global greenhouse gas emissions, but it is amongst the regions most vulnerable to climate change. In this sense, a systemic optimization of energy production from renewable sources can be decisive to improve the living conditions of the populations.

Challenges and opportunities in Africa

Energy is critical to Africa's sustainable development, but several regions of the continent suffer from an energy production deficit. This energy gap has prevented many African countries from advancing their industrialization process, limiting their ability to satisfy both national and continental markets, especially in light of the creation of the AfCFTA. However, the growing need for renewable energy and the transition towards low-carbon sources offer immense opportunities. Renewable energies – particularly the solar and the photovoltaic ones - can help bridge the energy gap that exists especially between urban centers and rural areas. Moreover, the expansion of the energy sector can support the creation of new jobs by ensuring a significant increase in the youth employment rate.

Widespread electrification, improving the quality of services (e.g. schools, health) could lead in the long term to a gradual growth of economies. However, the challenge of access to finance remains to be solved by giving priority to public-private partnerships in investment.

A gap that is also reflected in the inequality in access to information and communication technologies, which contributes to exacerbating the socio-economic inequalities of the continent. To date, only 43% of African territory has Internet coverage, a percentage that especially affects rural areas. Closing an infrastructure gap in terms of connectivity and internet access requires huge amounts of resources according to the African Development Bank. But it is also a critical step that could result in enormous digital development opportunities especially when accompanied by investments to ensure connectivity between countries. Internet use, in addition, has a significant effect in reducing poverty, and mobile connections are found to have a significant effect on reducing income inequality.

Italy-Africa collaboration: potential and contribution of trade associations

Italy, also thanks to companies that already have experience of investing in the African continent, has demonstrated a significant commitment to the African energy sector. Both in the more traditional Oil & Gas sector and in the development of renewables, Italy, through some of its leading companies, has established historic relationships in many regions of the continent and continues to develop new projects. These collaborations represent an example of how synergies between Italy and Africa can lead to innovative and sustainable solutions.

Italy's technological expertise and its position as an infrastructural hub of the Mediterranean also make our country a reliable partner for African countries in order to reduce the digital divide that slows down the development of the continent.

African business associations have a crucial role in this dialogue. They can provide a clear vision of the priorities, needs and opportunities existing in their countries in relation to the energy and digital transition. The presence of Italian support institutions, such as CDP, SACE, SIMEST and ICE, can further enrich this collaboration, offering specific resources and skills for the sector.

ENERGY AND DIGITAL TRANSITION

Questions

1. **Italy-Africa Collaboration:** Considering Africa's still unexplored potential and Italy's technological expertise, how can business associations collaborate to accelerate the energy and digital transition in Africa? What are the main barriers and how can they be overcome?
2. **Adaptation to climate change:** Africa is among the most vulnerable regions in terms of effects of climate change. What strategies can be adopted to ensure that the energy and digital transition in Africa can help build resilience and adaptation to climate change? How can Italian technologies contribute to this adaptation?
3. **Innovation and technology:** Technological innovation is fundamental for the energy and digital transition. What are the main innovations that can transform Africa's energy and digital sectors? How can Italian companies collaborate with their African counterparts to implement these innovations?
4. **Sustainable development:** The energy and digital transition is closely linked to sustainable development. How can Africa ensure that its energy and digital transition supports economic, social and environmental development? What are the lessons learned from Italian experiences in this field?



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

AGRIBUSINESS

CHALLENGES AND OPPORTUNITIES FOR A STRONGER COOPERATION BETWEEN AFRICA AND ITALY



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

AGRIBUSINESS

Africa, with its vast availability of fertile lands and natural resources, has an enormous potential in the agricultural sector. However, despite representing a significant part of the economy of many African countries, agriculture has not yet reached its full potential. More than 60% of the population of sub-Saharan Africa depends on agriculture, contributing 23% of the area's GDP. Yet, Africa remains a net importer of food, highlighting the need for greater local production and to invest more in processing. On the other hand, food security is a priority for Italy – which can count on a robust and well-structured agri-food value chain. Building on its experience in this field, the Italian Government is posing food security as a key priority of its G7 Presidency.

Current status and trends in Africa

Agriculture in Africa has seen significant growth, with countries where agriculture employs the large majority of the population. More recently, there has been growing attention to a shift from traditional agriculture to agri-food processing, which however still accounts for only 27% of employment and 39% of production. This trend is fueled by growing demand for processed foods due to rising populations, incomes and urbanization.

Adaptation to climate change and technological innovation

Climate change poses a significant threat to African agriculture. Adapting to these challenges requires the adoption of innovative and sustainable technologies. Italian companies, with their advanced technology and know-how, have a lot to offer in this field. Innovation can help improve crop yields, reduce post-harvest loss, promote a more efficient use of water and promote sustainable agricultural practices.

Challenges and opportunities

Despite immense potential, African agriculture faces several challenges, including lack of access to fertilizers, improved seeds and adequate infrastructure. To realize Africa's agricultural potential, significant investments are needed in areas such as irrigation, warehouse storage and infrastructure. At the same time, there are enormous opportunities. Africa has a competitive advantage in many crops (e.g. cashews, cocoa, coffee and tea) and the continent already has enormous demand to satisfy. A demand that will grow exponentially with population growth.



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

Africa-Italy collaboration and the role of trade associations

Collaboration between Italy and Africa in the agribusiness sector can lead to mutual benefits. Italy, with its experience and expertise in the sector, can help Africa overcome some of its most pressing challenges and achieve food security. At the same time, Africa offers a growing market for Italian companies. Trade associations can play a crucial role in taking advantage of the complementarity that characterizes the Italian and African production systems, facilitating collaboration between companies and sharing best practices.

AGRIBUSINESS

Questions

1. **Know-how:** Given Italy's vast experience in the agribusiness sector and Africa's immense agricultural potential, how can trade associations facilitate effective and stronger collaboration? In which specific sectors do you believe there is the greatest potential for the transfer of know-how and technology?
2. **Sustainability and climate change:** With the growing emphasis on sustainable agriculture and adaptation to climate change, what initiatives can be taken to ensure that agricultural practices in Africa are both productive and sustainable? How can Italian associations contribute to achieving this goal?
3. **Technological Innovation:** Technological innovation is deeply transforming agribusiness globally. What are the main challenges and opportunities Africa faces in terms of adopting new technologies in the agricultural sector? What role can Italy play as a leader in cutting-edge technologies in agricultural mechanization for the development and innovation of the agri-food sector on the continent?
4. **Promotion of local agribusiness:** Considering the importance of strengthening local production systems for food security and economic growth, what strategies can be implemented in order to increase food production in Africa? What is the role of trade associations in assisting local businesses reach global markets?



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

DEVELOPMENT OF THE MANUFACTURING INDUSTRY IN AFRICA

A KEY FACTOR FOR THE INDUSTRIALIZATION OF THE CONTINENT?



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

DEVELOPMENT OF THE MANUFACTURING INDUSTRY

Africa currently finds itself at a crossroads in its economic development trajectory. The development of the manufacturing industry is a fundamental factor for economic growth and many African countries still have a long way to go to fully develop a manufacturing base. This unexploited potential represents an opportunity for economic transformation and the creation of quality jobs: the launch of the AfCFTA, a single market for goods and services in Africa, for these very reasons sets the goal of unlocking the manufacturing potential as a key leverage for economic growth.

Current situation and trends in Africa

Africa contributes 1.9% of global manufacturing output, placing it at the bottom of the global value chain. Its production model also leads to an excessive dependence of the continent's economy on raw materials, with only 18.5% of exports represented by manufactured goods. However, the future prospects are encouraging. Many African countries will in fact be able to seize the opportunities arising from re-shoring or friend-shoring phenomena. From this perspective, several countries are already adopting policies that favor industrial development.

Challenges and opportunities

The diversification of economic systems, combined with the increase in competitiveness and productivity, have now become unavoidable needs for African countries. There are structural constraints that have prevented the development of the manufacturing sector. Dependence on raw materials and limited investments in training have in fact discouraged the adoption of wide-ranging industrial policies that lay the foundations for development and specialization in high value-added production. The development of the manufacturing sector will certainly contribute to positive spillovers on the entire society, stimulating training and reducing dependence on imports of finished products from abroad.

Italy-Africa collaboration and the role of trade associations

Italy, with its history of industrial development and its leading position in machinery manufacturing, has much to offer to Africa in terms of collaboration. The similarity between Italy and Africa in the configuration of their respective industrial systems, with the presence of many family businesses and SMEs, offers fertile ground for partnerships and exchanges. Trade associations can play a crucial role, facilitating the sharing of best practices, training and building links between businesses. Joint commitment and a shared vision of sustainable development and mutual prosperity can help overcome challenges such as those existing in financing and after-sales support.



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

DEVELOPMENT OF THE MANUFACTURING INDUSTRY

Questions

1. **Collaboration and partnerships:** Considering the tradition of the Italian processing industry and the leading position of our country in the production of machinery how could Italian and African associations collaborate in order to encourage the transfer of technologies and knowledge? What are the main areas of synergy between the Italian and African industrial systems, and how can they be best exploited?
2. **Challenges and solutions:** What are the main barriers preventing the expansion of manufacturing in Africa and how can they be overcome? In particular, how can trade associations help overcome the various obstacles that arise in terms of financing, after-sales assistance and technical training of human capital?
3. **Diversification and innovation:** Given the shared need for economic diversification among African countries, how can the manufacturing sector contribute to reducing dependence on raw material exports? What innovations and practices can be adopted in order to enhance domestic products and develop linkages with regional and international value chains?
4. **Future Vision:** Looking ahead, how do trade associations see Africa's role in the global manufacturing industry by 2050? What concrete steps can be taken today to ensure that Africa meets these expectations?



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

SUSTAINABLE MOBILITY

BUILDING THE FUTURE BETWEEN AFRICA AND ITALY



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

SUSTAINABLE MOBILITY

Africa, with its rapid population growth and urbanization, faces significant challenges in terms of urban mobility. According to several forecasts, by 2050 the continent will be home to 2.5 billion people, with a significant percentage residing in urban areas. This growth will inevitably lead to an increase in motorization, with a consequent increase in greenhouse gas emissions, congestion and pollution. Sustainable mobility therefore represents a key solution to address these problems.

Current status and trends in Africa

African cities are experiencing rapid motorization, with negative consequences in terms of congestion on the main connecting roads, air pollution and inefficiency of public transport services. The rapid pace of the urbanization process has contributed to the increase in global greenhouse gas emissions. While globally the transport sector represents 14% of total greenhouse gas emissions and 24% of carbon emissions, Africa, according to data from the African Development Bank, recorded the second largest growth in absolute transport emissions (84%), driven mainly by increases in passenger and freight transport. On the other hand, there are also promising local initiatives, such as, for example, bike-sharing in Cairo and the new urban planning strategy in Addis Ababa, which show the direction towards more sustainable mobility.

Challenges and opportunities

Population growth and urbanization in Africa present significant challenges, but also great opportunities. The efficiency and inclusiveness of urban mobility are essential for economic and social development, offering access to goods, services, work and educational opportunities. Rapid motorization has led to problems such as congestion, pollution and road accidents. In order to address these challenges, it is essential to adopt structural solutions, capable of guaranteeing solid financing mechanisms, including from international actors, such as the European Union, which has already activated financing lines to support the development of sustainable mobility in some African cities.

Africa-Italy collaboration and the role of trade associations

Italy, thanks to its expertise in the sustainable mobility sector, with companies that already have experience of investing in the African continent, has much to offer in terms of innovative transport solutions. African and Italian business associations can work together to share knowledge, technologies and best practices. It is essential to understand the needs and priorities of the



Ministero degli Affari Esteri
e della Cooperazione Internazionale

In collaborazione con



ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



CONFINDUSTRIA
ASSAFRICA & MEDITERRANEO

urban development trends in Africa and those of African business associations so that we can work together and find sustainable solutions that might help improve the quality of life and promote economic development.

SUSTAINABLE MOBILITY

Questions:

1. **Collaboration and innovation:** Considering the experiences of leading Italian companies that have already invested in the continent, how can Italian and African associations collaborate to promote innovation in sustainable mobility? What are the main areas of synergy between Italian and African companies in terms of mobility solutions?
2. **Challenges of urban mobility:** Given the rapid urbanization and motorization of African cities, what are the main challenges that business associations see in promoting sustainable mobility? How can these challenges be addressed collaboratively between Italy and Africa?
3. **Renewable energy and electric mobility:** Africa has enormous potential in terms of energy from renewable sources. How can electric mobility be promoted in a concrete and effective way in African cities? What are the opportunities and challenges associated with the adoption of electric vehicles and charging infrastructure?
4. **Urban Planning and Development:** With the rapid urbanization of African cities, how can business associations contribute to sustainable urban planning? What are the best practices and lessons learned from other cities around the world that can be applied to the African context?