



Casablanca Finance City Your Gateway to Africa

Editorial

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Lionel Zinsou, CEO of the Private Equity firm PAI Partners

About CFC Authority

CFCA, formerly Moroccan Financial Board, is a public-private partnership dedicated to positioning Casablanca as a regional financial center and a premier gateway into African markets for multinationals, financial institutions and professional services firms. CFCA is empowered by law with the overall management and promotion of Casablanca Finance City.

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"Africa should learn to trust Africa" said H.M. the King of Morocco in a historic speech already known as "The Call of Abidjan". During this second royal multi-leg visit to African countries in less than a year, His Majesty confirmed his vision for development in Africa, and furthered the vitality and strength of South-South integration. Starting in Mali, his African trip led him to Cote d'Ivoire, Guinea, and Gabon; four nations where business cooperation with Morocco is constantly growing. "African countries should develop mutually profitable partnerships" the Monarch said, turning words into action with a record number of bilateral agreements.

In Mali, His Majesty's meeting with President Ibrahim Boubacar Keita was marked by the signature of 17 active and fruitful partnerships in various sectors. This large country is increasingly stable and promising with its vibrant young population and its tremendous opportunities. Mali is recovering from a political, military, and food crisis, yet its GDP growth has rebounded to 4.8% in 2013. (More in our "Under the Radar" section.)

Thanks to its unwavering commitment, the kingdom and its business and financial platform, Casablanca Finance City, now stand as a solid partner in Africa. As well, we have gained recognition of our competitive efforts with our recent entry in the influential Global Financial Centres Index (GFCI). CFC ranks 2nd in Africa and 62nd globally.

In this first quarter, CFC had the pleasure to gather, for the first time, the 33 CFC status holders along with major players from the Moroccan Finance sector. We have also participated in several panels from Cote d'Ivoire to Rabat to Geneva. At the Africa CEO Forum in Geneva, we described how we can create continental champions through financial integration and had the pleasure of exchanging ideas with a committed Afro-optimist: Pai Partners' CEO Lionel Zinsou.

It is with great delight that we are presenting the distinguished Mr Zinsou's interview in this edition. His expert insights draw a bright future for the continent. He compares the coming decades to the "Glorious Thirty" in France and shows just how strong and sustainable the fundamentals of the African growth really are.

I wish you a pleasant read, and please feel free to let us know how we can further support your investment projects in the GNWA region.

Best wishes,

Said Ibrahim,
Chief Executive Officer of CFCA



King's four-Nation tour deepens Morocco's partnerships in Africa; more than 80 agreements signed for economic, social cooperation

Morocco's King Mohammed VI concluded a three-week trip in Africa which began in Mali and continued to Cote d'Ivoire, Guinea, and Gabon. The King demonstrated Morocco's leadership in South-South cooperation by presiding over the signing of more than 80 bilateral agreements on trade, agriculture, water, energy, industry, job training, and other sectors by members of the Moroccan delegation—including government and private sector representatives—and their Malian, Ivorian, Guinean, and Gabonese counterparts. The trip has been deemed a diplomatic success by African and other international observers and drew praise from the US.

Source: Moroccan American Center for Policy

Etisalat to finalize Maroc Telecom purchase

UAE's biggest telecom operator, Etisalat, expects to finalize the acquisition of 53 percent controlling stake of Paris-listed Vivendi in Morocco's largest telecoms company, Maroc Telecom. The deal, which is inclusive of Vivendi's stake worth and 2012 dividends from the Moroccan telecoms, has a total value of \$5.78 billion.

Source: Ventures Africa

EU approves €6.5bn to boost trade in West Africa

The European Union has confirmed the approval of –6.5 billion funds to boost trade in West Africa from 2015 to 2020. The funds, the EU said, would greatly enhance trade and investment flows to West African countries, thus contributing to their development, sustainable growth and poverty reduction.

Source: National Mirror

AfricInvest takes an interest in Bridge Bank Côte d'Ivoire and BNDE Senegal

The Pan-African group AfricInvest acquired a stake in the capital of West Africa Bridge Group, a holding company that holds interests in two commercial banks in West Africa: Bridge Bank Côte d'Ivoire and the National Bank for Economic Development (BNDE) in Senegal.

Source: Agence Ecofin

Morocco's RMA Wataniya Acquires 4 African Insurance Companies

Moroccan insurance company, RMA Wataniya, has acquired four insurance companies operating in "three key countries" within the Inter-African Conference on Insurance Markets (CIMA zone). The move, which is the first step on the company's path to expanding its business in Africa, aligns with the company's objective to establish presence "in more than a dozen African countries at the end of the decade, and to aim for a level of cumulative premiums of 400 to 500 million.

Source: Ventures Africa

Zain group keen on acquisitions in North Africa

Zain Group, the Kuwaiti-based telecommunications firm, is on the prowl for acquisitions in North Africa, searching for management contracts and equity purchases in sectors related to telecommunications industry, it has emerged. Over the next 18 months or two years, there will be more acquisitive activity in ISPs, fibre plays and data centre providers, Scott Gegenheimer, the Zain Group CEO, has confirmed to Arabian Business.

Source: Ventures Africa

MasterCard breaks into 7 new african markets

MasterCard Tuesday announced its entry into seven new markets across West and Central Africa following strategic agreements and increased acceptance across the continent. Central African Republic, Guinea-Bissau, Chad, Sierra Leone, Liberia, The Gambia and Rwanda have now been added to the MasterCard network, expanding the company's market to 48 markets out of the 55 that make up Africa. MasterCard's acceptance footprint has also reached over 58,000 ATM locations and 438,000 Point of Sale terminals across Africa.

Source: Ventures Africa

Ivory Coast's Sifca to invest \$74 million in West Africa

Ivory Coast agro-industrial group Sifca, part-owned by Singapore's Olam International and Wilmar International, will invest 35 billion CFA francs (\$74 million) this year to diversify in West Africa, executives said. Part of the money will go to creating 15,000 hectares (37,000 acres) of palm oil plantations in Liberia and a further 10,000 hectares in Nigeria. The remaining funds will be used to build a biomass power station with a 23-megawatt capacity in Ivory Coast and to pay for a 49.5 percent stake in Wilmar Africa Ltd, the Singaporean company's African subsidiary.

Source: Reuters

Wendel supports IHS Holding in a new capital increase, boosting its total investment to \$428 million

Wendel has increased its investment in IHS Holding by taking part in a \$420 million equity capital increase thereby raising its total investment in the pan-African telecom tower leader to \$428 million. With this transaction, Wendel maintains its position as IHS's largest shareholder, with more than 35% of the capital of the company.

Source: Reuters

GE Partners Stanbic to provide \$350m mini-power project finance

US-based energy firm, General Electric has partnered with Stanbic IBTC Bank to invest \$350 million in Nigeria's ailing power sector, with a focus on financing small-scale projects with generation capacity ranging from 1 to 20 megawatts.

Source: Ventures Africa

Actis \$220m Cameroon acquisition approved

Actis Capital's acquisition of American corporation AES's Cameroonian power sector assets for \$220 million has been approved by the Cameroonian government. AES owns interests in Kribi Power Development Corporation (KPDC), Dibamba Power Development Corporation (DPDC) and 56 percent stake in AES Sonel.

Source: Ventures Africa





Overview

Mali is a West African country, with a size of over 1,240,000 km², a population of 16.5 million and a promising potential. The Republic of Mali has faced several challenges over the past years with a food crisis in 2011 and a coup d'état in 22nd March 2012, followed by a military intervention in January 2013.

As a consequence, the economy halted in 2012 (-1.5%). Nevertheless, thanks to agriculture's dynamism, anticipated mining and manufacturing gains, plus international aid's revival, it rebounded in 2013 (+4.8%) and the outlook is increasingly positive for 2014 (+5.1%).

Mali, gained independence from France in 1960 and is run since September 2013 by Ibrahim Boubacar Keïta, who served as Prime Minister between 1994 and 2000.

Mali's GDP is estimated to be \$11.4 billion in 2013 and grew on average by 5.8% from 2000 to 2010, higher than UEOMA's (West African Economic and Monetary Union) average of 3.9%. Over the same period, consumer price inflation has been relatively low and averaged at 2.5%.

The primary sector accounted for 38.5% of the GDP and occupied approximately 80% of the labor force. The agricultural activities are mostly traditional subsistence farming and artisanal fishing.

Mining is on the rise with a rate of 8.9% of GDP. Gold production increased to 49 tons in 2012, making Mali the 3rd largest gold producer in the region, slightly behind South Africa and Ghana. Energy is a promising source of growth given the hydroelectric potentials and ongoing oil and gas prospects.

The manufacturing sector represents 7.1% of the GDP and is growing at 7% annually. The main branches are food processing, construction materials, and basic consumer goods. The government is placing an increasing emphasis on developing the textile sector.

The services sector counts for 37.1% of the GDP and is mainly driven by retail and trade activities. The banking sector remained stable and liquid, with shares held by international players such as BMCE, Attijariwafa Bank, and BNP. The telecommunications sector is expected to grow steadily in the near future. Furthermore, given its rich cultural heritage, Mali has a lot of potential in tourism.

Mali imported an estimated \$2.9 billion of goods in 2013. The main imports are capital goods, petroleum, and various foodstuffs. On the other hand, Mali's exports amounted to \$2.6 billion in 2013. Gold, cotton and livestock are the principal commodities exported. Both imports and exports are expected to steadily increase over the coming years.

Foreign investment is still relatively modest. Attracting overseas investment is high on Mali's economic agenda. In this perspective, Mali conducted dedicated measures and started to have some success: For instance, China invested \$102 million and established business ventures in the country - mainly sugar producing complexes, infrastructure, and mining activities.

Mali remains dependent on foreign aid (\$ 4 billion in 2013), but its government is committed to implement economic reforms, privatization and free-market policies. The country has strong relations with international donors and is undertaking structural reforms designed to help the economy grow. In that sense, it adopted in December 2011, the strategic framework for growth and poverty reduction (CSCR). This mid-term, \$ 16 billion development policy for 2012-2017 defines three strategic areas: promoting sustainable growth, reinforcing human development and strengthening governance.

Mali is committed to the concept of regional economic integration: Since 1975, it is a member of ECOWAS and joined UEMOA in 1994.

General Information

Capital City	Bamako
Official Languages	French
Area	1,240,192 Km ²
Population	16.460 Million
Currency	West African CFA franc
Time Zone	UTC

Macroeconomic Indicators

GDP (Current USD)	\$11.400 billion
GDP (PPP)	\$18.900 billion
GDP (PPP) per capita	\$1,100
GDP composition by sector	
• Agriculture	38.5%
• Industry	24.4%
• Services	37.1%
FDI- Net inflows	\$205 million
GDP growth rate	4.8%
Inflation rate	0.1%
Unemployment rate	30% (2004)
Labor force	3.241 million (2007)
CPI (2011)	135
Country risk assessment	D
S&P credit ratings	Withdrawn in 2008, defaulted in 2012
Human Development Index	0.344 (2012)

Monetary data

Reserves of foreign exchange and gold	\$1.341 billion
Central bank lending rate	3.5%
Market Cap	NA
Currency conversion rate	0.002
Bank account penetration	7.4%

Natural Resources

Gold (annual production)	49,000 Kg (2012)
Gold (estimated reserves)	800 Tons
Cotton (annual production)	500,000 Tons
Uranium (estimated reserves)	17,400 Tons

Trade/ FDI

Imports	\$2.895 billion
Exports	\$2.577 billion
Stock of FDI	\$2.750 billion

Infrastructure

Total road length	22,474 Km
Paved roads length	5,522 Km
Railways	593 Km
Airports	8

National Account

National expenditures	\$2.948 billion
Public debt (% of GDP)	30.5%
Public debt	\$3.349 billion

Source: The world bank, IMF, CIA factbook, UN Data, S&P, Coface, AFDB





Focus: Mining & Natural resources

Mali has a long mining tradition that has spanned over seven centuries. The country has been famous for its gold, even since the days of the great Malian empire and the Emperor Kankou Moussa era. In 1324, his caravan to Makkah carried 8 tons of gold. Mining has long been a key component of the economy, as the country enjoys abundant mineral wealth:

- Gold production forms the cornerstone of mining: 49 tons have been extracted in 2012 from southern and western Mali's seven mines. The country plans to double its gold output over the next five years.
- Several companies are conducting uranium exploration in the Gao and Falea regions, where the potential is estimated to be 5,200 tons.
- Traces of diamonds have been discovered in the Kayes and Sikasso administrative regions.
- More than 2 million tons of potential iron ore reserves, nearly 46 million tons of copper, 4 million tons of lithium and 1.7 million tons of zinc have been detected in northern and western areas.
- The shale bitumen are evaluated to be around 870 million tons.
- Phosphate reserves at Tamagulet are estimated at 12 million tons and four other deposits in northern Mali have a potential 10 million tons.

Mali's mining sector is rich, but remains rather unexploited. The government reformed the mineral code in 2012 to attract additional foreign investments, increase production, and diversify mining resources. The petroleum exploration law was also amended in 2008 to increase Malian oil attractiveness and raise international interest. Global mining companies such as Anglo-Gold Ashanti, Randgold, and Avnel Gold are running operations while several feasibility studies are being conducted. 150 operating licenses, 25 certificates for mineral exploitation and 200 research permits have been granted to various mining operators by the Malian authorities over the past two decades.

Bilateral relations between Morocco and Mali

During his second visit to Bamako in less than 6 months, His Majesty King Mohammed VI chaired with president Keita the signing ceremony of seventeen bilateral cooperation agreements, covering key strategic sectors such as: agriculture and rural development, industrial cooperation and trade, mining, health, air connectivity, banking, telecommunications, construction, and human development initiatives.

These agreements include:

- The agreement on investment promotion and reciprocal protection
- The agreement on double taxation avoidance and tax evasion
- The agreement on air services
- The protocol on industrial cooperation





Casablanca Finance City invited the 33 CFC Status holders to an event held at the Doge Hotel in Casablanca on February 10th. Mr Said Ibrahimi welcomed all the status holders along with major players from the Moroccan Finance sector. The event enabled effective networking and strengthened CFC's overall business ecosystem.



CFC was invited to speak at the first-ever Moroccan-Ivorian Economic Forum on February 24-25, 2014 held in Abidjan.

Following a landmark Royal speech on South-South cooperation, a series of panels were organized, aiming at taking the bilateral relations further than the traditional business partnerships. The focus of the Forum was on identifying joint-venture opportunities between the two countries and building a favorable administrative, fiscal, and logistical environment. Mr Ibrahimi participated at the panel on "Foreign Investment and Business Climate" in North and West Africa.



CFC participated in the Panel « Morocco, a hub for Africa » at the U.S. Morocco Business Development Conference held on March 10 - 11, 2014 in Rabat. The meeting introduced the business potential to the Moroccan and U.S. business communities. The conference allowed for networking with American and Moroccan business stakeholders in the sectors of transportation, logistics, customs, investment promotion, banking/insurance, and energy.



Mr Ibrahimi was invited to speak at The Africa CEO Forum on March 18th in Geneva. The panel addressed the question of Financial Integration in Africa and its effect on the creation of major players in the continent. The participants presented the causes of the constantly growing number of cross-border stock operations. They suggested solutions to enhance these movements, with an emphasis on the role of banks.

Some of the upcoming events...



Kellogg Africa Business Conference

To be held in Chicago in April 12-14



Integrity at Work Interactive Workshop

A CFC-CISI (Chartered Institute for Securities and Investment) Event To be held in CFC Headquarters April 29



World Economic Forum on Africa

To be held in Abuja in May 7-9



AfDB 2014 Annual Meetings

To be held in Kigali in May 19-23



New York Forum Gabon

To be held in Libreville in June 13-14



Institute of International Finance

To be held in London in June 4-6

For further information about the above events, please contact us.



4 Questions to...

Lionel Zinsou



Lionel Zinsou is the CEO of the Private Equity firm PAI Partners since July 2009. He joined the Group as member of the Executive Committee in July 2008. Prior to PAI, he was General Partner of Rothschild (1997-2008), the investment bank. He was also Head of the Global Consumer Products Group, and Head of Middle East and Africa. Lionel Zinsou started his professional career as an associate Professor of Economics at Paris University and a member of the Department of Industry Minister's Office, and the Prime Minister's Office. From 1986 until 1997 he was at Danone where he held various positions including CEO of the grocery division. Lionel Zinsou graduated from Ecole Normale Supérieure, Sciences Po and La Sorbonne in History and Economics.

1/ What do you think of the economic and financial potential of the Greater North West Africa (GNWA)?

There is definitely a great potential in the region: the continent is the most profitable in the world. When I think of the coming decades, I use the analogy of « The Glorious Thirty ». We expect a growth rate of between 5 and 6% on average per year for three good decades – the growth being homogeneous in the continent. It will not be a linear growth for sure, mainly because of the cyclical character of the economy, yet it is a complex one based on numerous convergent and sustainable causes.

The effects of the African growth have changed. It is precisely endogenous. We do not measure Africa's success in the harbors of Amsterdam or Le Havres anymore. It is not all about exporting raw materials. That period is over. Now, there is an important shift of perception regarding the potential in Africa.

The transitional demographic regime and the technical leap lay the foundations for a strong demand. We will have more young people and higher crop yields supporting the level of growth. The advent of an ever younger active youth who are emerging out of poverty, with revenues and better education levels, will sketch a new set of primary needs, from housing to health, food, cosmetics, transportation, as well as communication.

In addition, technological developments will multiply from mobile payments to unprecedented solar projects like what is happening in Morocco. We should move on from the old fashioned method of thinking, there is no need to invest in antiquated means of communication, but rather, focus on the new ones. Also, the yields from technical change will remain larger than in other advanced countries.

Finally, a good indicator of this potential are the steadily rising figures of investment, both foreign and national, the latter growing faster than the GDPs' growth. The Diasporas' remittance flows will continue to increase as well.

2/ What is, in your view, the future of the GNWA integration?

The creation of a single market will be one of the main reasons for a lasting growth. Here again, there is a great growth potential. Currently, intra-African trade only accounts for 12% of Africa's total trade, meanwhile Europe is at more than 60% and Asia is at 50%. The intra-continental trade will inexorably develop, like in Asia. It will benefit the consumers' growing demand and allow for economies of scale. However, the process will take a lot of time. Let's not forget that the European Union was created back in 1957, and its single market only recently emerged in 1992. It is a long process that should take two generations.

3/ Casablanca Finance City is aimed at fostering regional financial and economic integration by aggregating the GNWA opportunities in a single platform. What is your opinion of this initiative?

“Regarding investment in the continent, the role of Morocco and of CFC in particular is very important”

Regarding investment in the continent, the role of Morocco and of CFC in particular is very important.

With its strategic location and its proven leadership, Morocco is an optimal gateway to Africa. It has the necessary infrastructures and conditions to be a high-quality hub. It holds a comprehensive ecosystem of investment professionals. Morocco is also a platform of high-level consultancy services. It developed a large set of key services such as telecommunication, banking, and air transport; not to mention Tanger Med and its innovative infrastructures and logistics. Also, the Moroccan banks are established almost everywhere in Africa with a great density network.

The best evidence is Abraaj, the private equity fund that manages its African projects from Casablanca.

4/ You are a great friend of Morocco, what do you like most about the Kingdom?

I highly appreciate the Moroccan civilization; its spirituality, its tolerance, its music, and its architecture. I find the Moroccan culture very appealing. Most importantly, Morocco has the good fortune of having a monarchy with a vision.

