

INDUSTRY IN AFRICA

Africa is the poorest continent on earth in terms of how humans live. It is one of the richest in natural resources, in its pool of labor and its geographical ability to connect with major international markets. Its market potential for raising the standard of living of its inhabitants can have comparable results to Asia whose "tiger" economies have been so successful.

The "Lion" economies of Africa should provide the next success stories but a great deal of historical baggage still hinders development. In the 19th century the European powers were quick to recognize Africa's potential and the "Scramble for Africa" began. Britain in the East and South and France in the North and West took over large chunks of the continent. Portugal in Angola and Mozambique, Germany in present-day Tanzania, Namibia and Cameroon and perhaps most notoriously Belgium in the Congo also made massive land grabs.

The main aim was to get control of the continent's natural resources. An economic structure developed, especially in Africa south of the Sahara, in which primary products, industrial and agricultural, were exported in a raw state with value to be added in the Imperial power. Even more significantly the European powers developed a system of monoculture by which different countries specialized in specific crops. Rwanda and Burundi were confined to coffee production, Egypt relied on cotton, Malawi on Tobacco and so on. African countries are still emerging from this colonial pattern which left them extremely vulnerable to price fluctuation and downturns in consumption of the products on which they were entirely dependent.

Manufacturing industry lags behind that in all the other continents but possibilities for change and recovery exist through trade. Oil wealth along the west coast of Africa, some existing industries and the participation of the continent's most developed economy, South Africa, in the development of other countries have the potential to turn Africa's economy around:

SOUTH AFRICA

South Africa has the potential to become the continent's economic and industrial powerhouse in the way that Japan became the beacon for Asia. The country's development has differed radically from other African countries in that it has attracted more European settlers than any other and its strategic position during the cold war encouraged strong inward investment from the west. South Africa is classified amongst the 50 wealthiest nations in the world and some of its cities have first-world characteristics. The Johannesburg Stock Exchange has the world's tenth largest turnover.

The gap between the rich and poor, however, is immense as is that between the developed areas centered on Gauteng (Johannesburg-Pretoria), Cape Town, Durban and Port Elizabeth on the one hand and the rest of the country on the other.

South Africa produces just about every industrial item and has quite a developed Information Technology sector. Just over three per cent of its GDP is from agriculture giving it a remarkably different profile from other African countries.

South Africa's immense reserves of Gold, Diamonds and Platinum are unmatched anywhere on earth. It has managed to develop a strong agri-business sector centered on its vineyards and fruit farms. It also has its own automobile industry manufacturing cars and heavy goods vehicles by subsidiaries of well-known European companies such as Mercedes, Volkswagen and BMW. South Africa also has a significant arms industry.

Trade between South Africa and its neighbors south of the Sahara is likely to be a key factor in economic development in the future. Botswana's proximity to South Africa and its own programmed of well-considered economic development has made it one of Africa's most prosperous countries. Other countries such as Malawi, one of Africa's poorer states, benefit from duty-free access to the South African market for its agricultural products.

OIL AND GAS

Thirty per cent of the world's newly-discovered oil is located along Africa's west coast. Nigeria has one of the largest proved resources on Earth and provides 10 per cent of the oil consumed in the United States. West Africa has been forecast to supply 25 per cent of US oil by 2015. Abundant oil resources are being discovered all along the continent's west coast especially in Nigeria and Angola and also in Sudan to the east to add to the energy powerhouses that have existed for some time in North Africa. Significantly oil producers such as Angola, Sudan and Equatorial Guinea have been showing stronger economic growth than elsewhere

Libya and Algeria have strong oil and gas resources with the latter challenging Russia for the supply of natural gas to the European market at a time when energy shortages loom throughout the world. Chemical production provides an important by-product of the oil and gas industry and more importantly revenues from energy industries need to be invested in infrastructural areas particularly those of education and transportation.

MINING

Nearly one third of the world's mineral reserves are to be found in Africa with South Africa the dominant producer. Other countries with significant reserves include DR Congo, Zambia, Zimbabwe, Ghana and Zimbabwe. Africa produces 90 per cent of the world's platinum group metals and nearly half the gold. New discoveries continue to be made from Mauretania in the north to Namibia in the South.

TRADITIONAL CRAFTS AND LEATHER PRODUCTION

Africa's varied traditional craftwork has been finding markets throughout the world for some time and almost all the continent's countries have become involved. In some cases young entrepreneurs have carved out important niches in the market. In South Africa, for example, the traditional bead work of the Ndebele and Zulu peoples relied for generations on imports from Europe, particularly the Czech Republic, but now the beads are being produced in Africa. Traditional wood carving has had ready markets in the developed world for some time and African leather, once synonymous only with Morocco, has developed strong in recent times. Tanneries throughout Africa have not only been producing high-quality leather but in the past twenty years manufacturers in Ethiopia, Kenya, Malawi, Namibia, the Sudan, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe have availed of United Nations Industrial Development Organization (UNIDO) programs to ensure environmentally friendly production.

FOOD PROCESSING

Kenya leads the way in this sector with agri-business and tourism among its main assets. Added value to agricultural products has attracted multi-national companies such as Del Monte. This company's activities, however, have been controversial with continuous conflict with local people leading to a boycott of the company's products in Italy at the behest of Kenyan NGOs and representatives of the Catholic Church. Unilever has provided a happier example of multinational involvement and Unilever Tea Company of Kenya has worked closely with the United Nations Environment Program towards the goal of afforestation. In a continent in which agriculture is dominant the establishment of food-processing industries has significant potential.