



# ELECTRICAL INDUSTRY EXPORTS TO AFRICA

## A REPORT ON ASSESEMENT OF OPPORTUNITIES AND STRATEGY FOR MARKET ACCESS

The IEEMA-EY study on African markets for export of electrical equipment (EE) is aimed at getting an indepth understanding of export opportunities in electrical equipment to the African market.

### OBJECTIVE OF THE STUDY:

Identifying ten high opportunity countries (thrust markets) in Africa – ten countries covered in the report have been selected based on their electrical equipment imports, India's share in the electrical equipment imports, and the trade and overall risk profile of the countries.

Analyzing the factors that impact the exports of electrical equipment to the identified countries from India – all factors such as India's EXIM policy towards Africa, customs and other regulations in each of these countries, taxes and duties etc have been covered in the report.

Assessing the opportunity in the electrical equipment sector in selected African countries over the next decade – The expected demand of different EE product categories has been estimated based on the past trends and future projections.

Mapping the local market and industry in the thrust countries and developing export strategies in each of the thrust market – The local market and industry is detailed out in the report, covering the state of local manufacturing and mapping the key players in the power sector. The key success factors to get a foothold in the electrical equipment market in the countries have also been covered.

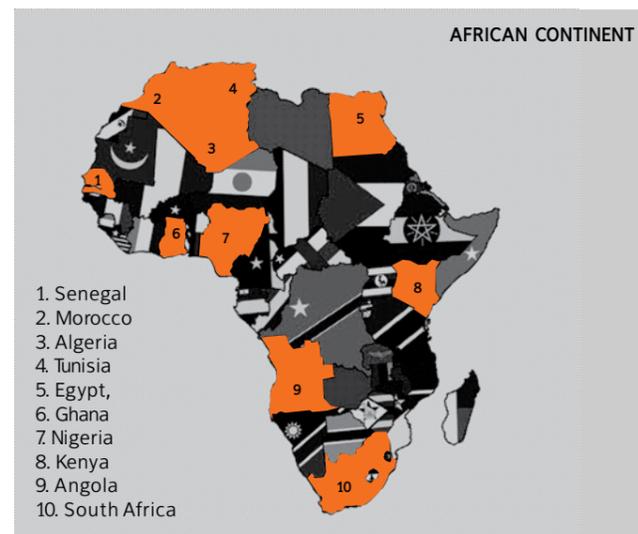
Laying strategic framework to support the growth of power equipment exports to Africa that the Indian exporters of electrical equipment, IEEMA and government bodies need to follow to achieve these aspirations.



## METHODOLOGY :

To meet the desired objectives, EY has conducted in-depth research and analysis. The primary data sources include EY power sector experts, Indian bureaucrats in ministries of commerce and external affairs, Indian exporters to Africa, Indian trade attaches in African countries, African high commissioners, African utilities, IPPs, EPC contractors, country power associations, Africa based manufacturers, Africa-based importers etc. The report also includes insights from 2 surveys conducted. The first survey was of Indian exporters of EE products and the second was of the buyers of these products in Africa. The secondary sources include EY published resources, internal databases and International Trade Center. Other sources of secondary information are WTO, CIA World factbook, News Reports and websites of Ministry of Commerce/ similar ministries in various countries.

The ten target countries were selected based on a country attractiveness framework. The framework was developed based on various factors including GDP, FDI, and governance parameters. There were various filters applied to all 53 countries in the African continent that participate in trade.



*Over the decade, the cumulative export of power equipment from the 10 identified countries (Algeria, Angola, Egypt, Ghana, Kenya, Morocco, Nigeria, Senegal, South Africa and Tunisia) is expected to reach US \$ 140 billion. This report gives the market potential by various EE product groups and a detailed understanding of each market for exporting electrical and electronic equipment. The report covers in detail each of the 10 identified countries. Each country report has seven chapters covering the following key areas in detail.*

## TYPICAL CONTENTS OF A COUNTRY REPORT

### COUNTRY PROFILE

- \* Covers overall analysis of the country including macroeconomic analysis, GDP, GDP growth, inflation, socio-political landscape, state of infrastructure and key risks

### TRADE ENVIRONMENT REVIEW

- \* Covers trade environment with analysis of total imports, exports and bilateral trade of the country.
- \* Comprehensive coverage of measures that directly impact imports
- \* The country's trade agreements and the investment scenario is also covered

### TRADE ANALYSIS

- \* This chapter covers EE specific analysis. In this chapter, we take a closer look at the past trends and including imports, product performance framework, India's performance vis-à-vis other countries

### STATE OF POWER SECTOR

- \* Maps out demand drivers, namely the power sector scenario in the country. The coverage includes generation, transmission, and distribution and consumption scenario. Planned projects and capacity additions are also covered

### DEMAND FOR ELECTRICAL EQUIPMENT PRODUCTS

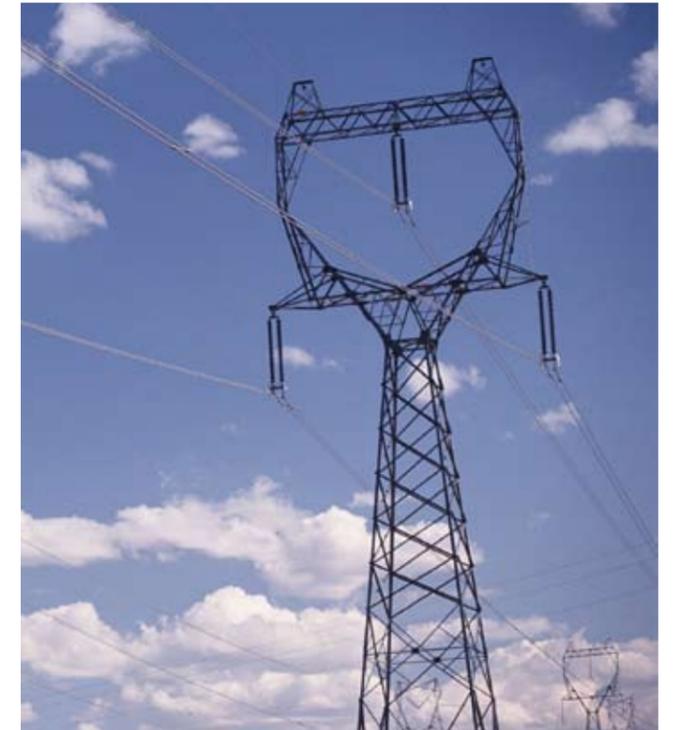
- \* Based on the future power plans of the country, as detailed in the last chapter, the demand for each product category is estimated for the next decade

### INDUSTRY & MARKET ASSESSMENT

- \* The chapter covers the state of local manufacturing, the key players in the power sector, the means and modes of purchase, the perception of Indian products with reference to power equipment, and the vendor registration process.

### CRITICAL SUCCESS FACTORS

- \* The key success factors to get a strong foothold in the power equipment market in the country have been included in this chapter



Any assessment of opportunity in electrical equipment is incomplete without a comprehensive strategy review of the biggest competition in Africa - China. This study has mapped out China's involvement in Africa and done a comprehensive study of its Africa strategy. Chinese trade with Africa has grown over ten fold in the last decade, and it is currently Africa's largest trading partner. China's export of EEE products to Africa has grown from US \$ 290 million in 2003 to US \$2.6 billion in 2008, growing at a CAGR of 54% during the period. The growth rate of China's EEE exports to Africa has been more than the growth rate of EEE exports to the world; this has resulted in increase of Africa's share in China's total EEE exports, from 1.9% in 2003 to 5.2% in 2008.

The study on China covers the comprehensive strategy followed by China in the African countries in the last few decades. An understanding of their approach to these countries and their strategy would be of immense learning for India and its exporters.

To meet the desired objectives, EY has conducted in-depth research and analysis. The primary data sources include EY power sector experts, Indian bureaucrats in ministries of commerce and external affairs, Indian exporters to Africa, Indian trade attaches in African countries, African high commissioners, African utilities, IPPs, EPC contractors, country power associations, Africa based manufacturers, Africa-based importers etc. The report also includes insights from 2 surveys conducted. The first survey was of Indian exporters of EE products and the second was of the buyers of these products in Africa. The secondary sources include EY published resources, internal databases and International Trade Center. Other sources of secondary information are WTO, CIA World factbook, News Reports and websites of Ministry of Commerce/ similar ministries in various countries.



The report will benefit exporters of electrical equipment in more ways than one. The exporters can decide on the markets that provide the maximum potential in their product segment and formulate strategies to address the same. Also, the report covers the threats and risks that these markets have to offer, which will help exporters to take calculated decisions. The major upcoming projects and contacts of major buyers in these countries is also a crucial piece of information that can be beneficial for the Indian companies. Apart from information on the opportunity, the report covers details of registration process, names and contacts of major buyers and other related information which makes it a one-stop report for an Electrical Equipment exporter.

### IMPORTANT SOURCES USED:

African Development Bank  
African High Commissions  
African Utilities and IPPs  
African EPC Contractor, importers and local manufacturers  
African Power Associations  
IMF

CIA World Factbook  
International Trade Centre  
UNCTAD  
IHS Global Insight  
UN Reports on Africa  
ECGC, Ministry of Commerce, Govt. of India

### PRICE OF THE REPORT:

₹4,00,000/- (Rs. Four Lacs only) for domestic buyers  
US\$10,000 for overseas buyers

### INDIVIDUAL COUNTRY REPORTS ARE ALSO AVAILABLE PRICED AT :

₹60,000/- (Rs. Sixty thousand only) per country report (for domestic buyers)  
US\$1,500 per country report (for overseas buyers)

### HOW TO ORDER ?

**IEEMA members and Domestic Buyers :** Send DD/cheque in favor of 'IEEMA' for full amount along with the order to IEEMA, Mumbai  
**Overseas Buyers:** Send remittance for the full amount to IEEMA A/C No. 004927100011749 (Column no. 59) through Deutsche Bank Trust Co., NY (Column no. 56A) to be sent to Bank of India, Worli naka Branch, Mumbai 400 018, India (column no. 57A) having Swift Code 'BKIDINBBWRN' (Column No. 57 A). Intimation of remittance may be sent to IEEMA , Mumbai.

### FOR MORE INFORMATION:

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