

"International finance is always looking for new opportunities. The challenge for Africa is not just to be attractive to traders and investors, but to offer opportunities which are more attractive than anywhere else in the world." - Peter Hain

EDITORIAL



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Small Businesses, Think Big... Africa Ahoy !!

India and South Africa have partnered to cement bilateral cooperation in the micro, small and medium enterprise (MSME) sector with each other recently. There are huge opportunities to tap by cooperation and strategic alliances in MSME sector, which could be in the form of joint ventures, technology collaborations or marketing tie-ups. South Africa possesses many prominent centres of learning and excellence and there is a scope for the universities and research and scientific institutions to enter into R&D collaborations. The MSME sector accounts for a large share of industrial output, employment and exports in both the countries.

The total trade between the two countries in the financial year 2010-11 was \$10.6 billion, higher than bilateral trade target of \$10 billion by the year 2012, forecasted during the visit of South African President Jacob Zuma to India in June 2010. A revised bilateral trade target of \$15 billion by 2014 has been estimated now. South Africa is India's 2nd largest trading partner in Africa. India has upped the ante to address bilateral cooperation, intensify knowledge sharing and sort out developmental issues.

Africa offers excellent investment opportunities in many areas like infrastructure, agriculture, energy, tourism, information and communication technology, real estate and construction, financial services, mining, general manufacturing, education and health sectors. Indian SMEs must make the best of the opportunity and needs to have a plan of action to address these markets. To make this happen, SMEs must be innovative and creative and able to identify the local needs in these markets and keep up with the changes as per the market demand. Knowledge, specialization, innovation and networking will determine the success of SMEs in the African continent. No wonder Indian commerce and trade pundits see the number of Indian companies investing in Africa to increase to 6,000 in the next two to three years.

Rwanda is a bright prospect to invest in Africa. Indian investors are enthusiastic about investment in Rwanda in areas ranging from construction materials, plastics and packaging, ICT solutions, postgraduate education, renewable energy and infrastructure. The country has excellent deposits of clay so that anybody interested in manufacturing tiles would find the country advantageous. Thus, Rwanda needs industries not only in high-tech or high-investment areas but also in many areas where small and medium enterprises can invest in a profitable way. The Rwandan permanent secretary of the ministry of trade and industry Emmanuel Hategeka pointed out that Rwanda offered many fiscal as well as non-fiscal incentives for investors. This was apart from the obvious business benefit of being able to serve the entire East African Community (EAC) market comprising approx. 135 million people from business units located in Rwanda.

Rwandan Minister of Agriculture and Animal resources Agnes Kalimata now puts the ball in the court of Indian SMEs by asking, "Africa is on the path of growth and everyone there is tired of the status quo. Is India ready to be part of that growth?"

- K. Altaf

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Spotlight

'Clusters'

- The New MSME Mantra

■ CCI SERVICE

The institutional linkages of clusters with technical and academic institutions, incubation centres, patent offices and R&D centres will emphasize the use of new ideas and knowledge for the benefit of the cluster. The role of pro-active Special Purpose Vehicle (SPV) Associations is paramount.

The Ministry of MSME plays guru for holistic development of micro and small enterprise in a cost effective manner with its cluster mantra. It has proposed to develop 25 clusters initially as Industry Innovation Clusters. The innovation will necessarily

centres will emphasize the use of new ideas and knowledge for the benefit of the cluster. The role of pro-active Special Purpose Vehicle (SPV) Associations is paramount. Efforts have been made to identify pro-active associations and SPVs.



Innovation First

include commercial successful exploitation of new technologies, ideas or methods through the introduction of new products or new processes or through the improvement of existing ones.

The institutional linkages of clusters with technical and academic institutions, incubation centres, patent offices and R&D

Soft interventions (Technical assistance, capacity building, exposure visits, market development and trust building for the cluster units); hard interventions (creation of tangible 'assets' like Testing Facility, Design Centre, Effluent

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