

# **BUSINESS AND DEVELOPMENT**

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**THE HAGUE**

**Presented by**

**Alamine Ousmane Mey**

**Afriland First Bank**

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# II- APPROACH

- ❖ PUBLIC AIDS FROM GOVERNMENT TO GOVERNMENT;
- ❖ BILATERAL OR MULTILATERAL AIDS;
- ❖ CONDITIONNED LOANS TO SUPPORT EXPORT FROM DONOR COUNTRIES;
- ❖ SUBSIDIES AND LOANS **BELOW MARKET CONDITIONS** TO PRIVATE BUSINESSES FROM DONOR COUNTRY.

# III- AFRICA & ITS DEVELOPMENT

- **52% OF THE POPULATION WITH A DAILY REVENUE LESS THAN 1\$ US**
- **LESS THAN 1% OF THE WORLD TRADE EXCHANGE**
- **POVERTY REMAINS THE MAJOR CONCERN.**



# IV- WHAT TO DO?

**CREATE  
WEALTH THROUGH  
PRIVATE  
BUSINESS INITIATIVES**

# .....BUSINESS.....

- ❖ .....CONSISTS OF AN ORGANISATION OF PEOPLE WITH VARIED SKILLS WHICH **USES PROPERTY OR TALENTS** TO PRODUCE SOMETHING WHICH CAN BE **SOLD FOR MORE THAN THE COST....**
- ❖ .....IS A **PROFIT SEEKING** UNDERTAKING.

# V- INVESTMENT - CONDITIONS

1. PEACE AND STABILITY
2. LEGAL AND JUDICIARY SYSTEM
3. FAVOURABLE TAX SYSTEM
4. GOOD MACRO-ECO. ENVIRONMENT
5. **STRONG FINANCIAL SYSTEM**
6. SKILLED AND CHEAP LABOUR
7. GOOD INFRASTRUCTURES
8. FLEXIBEL LABOUR CODE
9. FAVOURABLE EXCHANGE REGIME <sup>8</sup>

# THE PROCESS

- **PRE-INVESTMENT PHASE ( Field visit, Feasibility studies )**
- **INVESTMENT PHASE (Setting up the company and testing the products )**
- **OPERATING PHASE ( Runing and expanding the company )**
- **EXIT PHASE ( Divesting or closing)**

# THE CONSTRAINTS

- GAP IN CULTURE
- GAP IN LANGUAGE
- GAP IN GEOGRAPHICAL DISTANCE
- GAP IN ENTREPRENEURSHIP SPIRIT
- GAP IN EDUCATION
- GAP IN FINANCING CAPACITIES
- GAP IN KNOWLEDGE
- GAP IN KNOW HOW
- GAP IN DEVELOPMENT STAGE

# VI- LOCAL FINANCIAL INSTITUTIONS

**UTILISING THE SERVICES OF LOCAL FINANCIAL INSTITUTIONS IS THE APPROPRIATE SOLUTION TO ESTABLISH ADEQUATE LINKAGE AND SUPPORT FOR A SOUND DEVELOPMENT**



**HOW TO CONTRIBUTE TO THAT?**

# WHAT YOU CAN GET

- EQUITY FINANCING
- QUASI EQUITY FINANCING
- LOANS ( ST, MT, LT )
- TECHNICAL ASSISTANCE
- LINKAGE / JOINT VENTURE
- MANAGEMENT ASSISTANCE
- NETWORKING
- BUSINESS ADVISORY SERVICE

# VII- THE FIRST BANK

- **EQUITY**

- ( CENAINVEST I & II, AFRICINVEST with more than EUR 15M )

- **LOANS**

- ( AFRILAND FIRST BANK, CCEI GE, FIRST BANK SAO TOME with more than EUR 350 M Total Asset and EUR 240 M loans with beneficiaries)

- **TECHNICAL ASSISTANCE / IBTA**

- (Financial Institutions and investee companies )

# VIII- LESSONS :

- **DOING BUSINESS FOR DEVELOPMENT IS A LONG TERM ADVENTURE;**
- **SELECT CAREFULLY YOUR PARTNER(s) AND THE BUSINESS DESTINATION;**
- **LOCAL KNOWLEDGE FOR ADVISE AND SUPPORT IS CRUCIAL FOR SUCCESS;**
- **COMMERCIAL VIABILITY IS KEY FOR SUSTAINABILTY;**
- **AIDS / SUBSIDIES NOT A MUST, JUST TO TRIGGER YOUR ACTION;**
- **USE NETWORKING AND LINKAGE**

# IX- CONCLUSION (1)

REACHING SUSTAINABLE DEVELOPMENT WITH THE SUPPORT OF A DYNAMIC PRIVATE SECTOR IS NOT ONLY POSSIBLE BUT INDEED THE APPROPRIATE WAY TO DO IT. IT PERMITS TRANSFER OF KNOW HOW, CREATES A SOUND AND VALUABLE INSTRUMENT TO ENHANCE GROWTH

# X- CONCLUSION (2)

- **PROMOTE PRIVATE SECTOR INITIATIVES AS MUCH AS POSSIBLE;**
- **GRANT TIME LIMITED AIDS TO SOUND BUSINESSES WITH GOOD DEVELOPMENT AND RETURN PERSPECTIVES;**
- **STHRENGTHEN LOCAL FINANCIAL INSTITUTIONS AND LET THEM PLAY THEIR ROLE. THE MARKET WILL DO THE REST.**

**THANK YOU FOR YOUR  
KIND ATTENTION**