Impact of COVID-19 on Multinational Enterprises

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ARISE Group, a leading infrastructure developer in Africa

- **Concept & Design**
  - 10+ large-scale projects already delivered or under implementation across Africa

- **Financing**
  - USD 2bn invested to date, 18 M&A deals and 12 debt raising transactions completed

- **Execution**
  - 100+ companies attracted in our industrial platforms (USD 1.7bn investment)
  - Flagship Nkok SEZ project with unique impact

- **Operations**
  - World-class shareholders
  - Strong partnerships with African governments

**Infrastructure Services**

**Integrated Industrial Platforms**

**Ports & Logistics**
In Gabon, 100 years of raw log exports, without transformation

- **Strong potential:** 22m Ha of forests in Gabon
- **Almost no transformation until 2010**
- **Few jobs in the sector:** less than 10,000
- **Limited export value:** 2-3% of exports (USD 350m in 2010)
- **Insufficient contribution to the economy:** 1-2% of GDP (USD 200m in 2010)
Value of timber exports, reaching USD 1bn in 2019

Sector contribution to GDP, reaching USD 0.8bn in 2019

Jobs in the sector, reaching 34k to date
Similarly, there is a strong value addition potential for Togo regarding its cotton production, with significant impact for the country.

### Stage I: Intermediate/ End Products

<table>
<thead>
<tr>
<th>Value</th>
<th>Now</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of 1kg of cotton</td>
<td>USD 1.3</td>
<td>USD 10 (up to fabric conversion)</td>
</tr>
<tr>
<td>Value of total production (56k MT)</td>
<td>USD 72.8m</td>
<td>USD 630m</td>
</tr>
</tbody>
</table>

**Jobs created (direct & indirect)**: 47.5k

**Investment required**: USD 564m

### Stage II: End Products

**Garments:**
- Knits
- Woven Tops
- Woven Bottoms

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</thead>
<tbody>
<tr>
<td>Value of 1kg of cotton</td>
<td>USD 1.3</td>
<td>USD 25 (till garmenting)</td>
</tr>
<tr>
<td>Value of total production (56k MT)</td>
<td>USD 72.8m</td>
<td>USD 1.58 bn (cumulative till garmenting)</td>
</tr>
</tbody>
</table>

**Jobs created (direct & indirect)**: 96k

**Investment required**: USD 52m
Trends that shape investment in manufacturing

**External trends**

A.1 Global shift from Asian manufacturing powerhouses

A.2 Strong geopolitical agenda of Western countries to diversify supply chains away from Asia – accelerated by COVID-19 crisis

A.3 Growing global need to reduce carbon emissions, notably by optimizing supply chains and relocating industries, with a key role to be played by Africa

A.4 Closer to raw material & consumer

**Global Challenges**

B.1 Massive Unemployment

B.2 Poverty

B.3 Climate Change
SEZs are a powerful tool to support Africa’s industrialization

SEZs improve business environment and attract investors

- Affordable developed land for plug & play development
- Reliable and cost competitive access to utilities (electricity, water, ICT, waste management)
- Attractive tax and regulatory framework
- Single window Clearance to simplify administrative procedures
- Access to efficient logistics

Demonstrated examples of successful industrialization through SEZ

- Shenzhen SEZ played a vibrant part in China take-off
  - Created in 1980
  - More than 2.2m jobs created in 40 years

- Jebel Ali Free Zone played an important role in Dubai’s development
  - Started in 1985
  - 135k jobs created

- In Africa, very few successful examples:
  - Nkok SEZ - Gabon
  - TMSA – Morocco (Tanger)
  - Kilinto Industrial Park – Ethiopia

Source: China Briefing, Jafza
ARISE has been created to develop world class industrial & logistics zones addressing Africa’s challenges

- Massive unemployment
- Rising income inequalities
- Climate change
- Disrupted Global Supply chain
- Limited infrastructure financing

- Significant job creation in Africa
- Increase of revenues for resource owners & workers
- Strong reduction of carbon emissions
- Local value addition benefitting to Africa’s economy
- Leading infrastructure developer with strong financing capacity