

NABC position paper. February 2022

## Economic, trade and developmental aspects of the future EU-Africa partnership agenda

The Netherlands-African Business Council, or NABC, was founded more than 75 years ago by a visionary banker from Rotterdam. In the vision of this man, Mr. KP Van der Mandele, the only way forward after the devastating World War II was to start trading. Trading with the neighbours, but certainly also with less-known countries, far away.

There are many lessons to be drawn from this history. In 2022, we are also in a situation whereby not only Europe, but the entire world is recovering from a major economic crisis. The Netherlands-African Business Council strongly believes that an increase in trade and investment relations between European countries and Africa will lead to major social and economical improvements for Africa.

NABC is the main private-sector organisation for Africa in the Netherlands. Since the day we were founded, we have been continuously pointing out business opportunities in Africa to the Dutch private sector. We do this on behalf of our 250 member companies, ranging from small, innovative start-ups to the heavyweights of the Dutch economy. Heineken, Rabobank, Royal IHC and seed giant RijkZwaan are all members of the NABC.

A recent report of the Dutch bureau of statistics indicated that the Netherlands exported Euro 15 billion worth of goods to Africa. This may seem a lot, but if you look at the percentage of the total Dutch export, it is only 3.1%. When it comes to import, the figure stands at euro 10.9 billion, or 2.6% of total Dutch imports. This amounts to a combined value of import and export of euro 26 billion per year, which is comparable to the Dutch trade with Italy - our 7th largest trade partner. The aim of the Dutch Africa Strategy of the private sector, as explained by VNO-NCW, is to double our trade with Africa, as well as the Dutch investments.

NABC exists in order to facilitate this trade and investment, but always in a mutually beneficial way. It needs to be good for Africa, and good for the Netherlands. These goals are achieved by various activities. We organise large-scale business to business events, most notably Africa Works!, that traditionally brings together more than 300 participants per day. We organise trade missions to Africa, and receive incoming trade delegations from African countries. NABC also carries out individual consultancy assignments for our member companies.

We furthermore engage in programmes, whereby we work for several years on developing a sector in a certain country. For instance, we brought together a group of Dutch seed companies with the aim of boosting agricultural production, including tomatoes and cucumbers, in Nigeria. In Tanzania, we have set up a demonstration-farm packed with state-of-the-art Dutch poultry technology, linked to a training center, where the latest techniques on poultry farming are taught. NABC also cooperates in a pilot project called MATCH, aimed at bringing African talents to Europe on temporary contracts. Whereas Europe finds it hard to find qualified staff for our vacancies, talented Africans are ready to fill the gaps.



## Need for a European approach

Zooming out, we notice that most of our neighbouring countries have organisations which are very similar to the NABC: business councils that unite the Africa-focused private sector in their countries and seek cooperation rather than competition. These councils are represented in Brussels by EBCAM, the 'European Business Council for Africa.' This is important, because globally, we notice that the business interest in Africa is growing by the day.

Numerous world powers are increasingly active in Africa. Most notably China and Russia, which both have been setting up new embassies in Africa at record-speed in recent years. Türkiye has also stepped up its economic activity drastically, and so have Saudi Arabia, Iran and even North-Korea. Pundits have started describing the current situation as a new 'Scramble for Africa.'

Looking at the statistics, the interest seems evident. With its 1.2 billion people and fastest population growth in the world, major economic opportunities can be found on the continent. Meanwhile, the population boom can be seen as threatening, as it increases an already large pressure on available fertile land and other natural resources.

European policy should consider a few important aspects, as NABC together with other members of <a href="EBCAM argued">EBCAM argued</a> recently. It should be taken into account that development assistance alone isn't the main solution for Africa, a viewpoint which is already widely shared in the Netherlands. Our country was the first to combine 'aid' and 'trade' in one portfolio, currently held by Minister Schreinemacher.

Europe is traditionally concerned about 'state support.' However, as EBCAM wrote, when the benefits of supporting our companies entering the African market are clear and shared equally between Europe and Africa, this shouldn't be too much of a concern. Organisations that supply funding for high-risk investments, like the newly-founded Invest International here in the Netherlands, should also be set up European-wide.

The NABC would like to reiterate the fact that it is of utmost importance to make access to the European Union for highly skilled African workers easier. This would give a new boost in European-African relations. We also encourage the European Commission to take an extensive look into access to the European market for African products. Protective trade policies may look beneficial for many Europeans in the short term, but in order to work on a more equal long-term relationship with Africa, we do have to strive for a situation whereby end-products, not only raw materials, can be imported from Africa.

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