



‘Future Market Africa!’

Business Round Table at AGRITECHNICA 2019



Business Round Table 'Future Market Africa!'

Agritechnica 2019



Federal Ministry
for Economic Cooperation
and Development

Organiser on behalf of the Federal Ministry for Economic Development and Cooperation (BMZ):

- **EZ-Scout Programme** [\[Link\]](#)
[Roberto Duarte Preuss (IHK Hannover), Thomas Koenig (DLG), Katy Schroeder (IHK Halle-Dessau), Thomas Wilde (Bundesverband der Maschinenringe e.V.)]
- **Agentur für Wirtschaft & Entwicklung (AWE)** [\[Link\]](#)
[Ulrich Boysen]
- **Global Business Network** [\[Link\]](#)
[Jakob Freyer]
- **Sector Project Agricultural Trade, Agribusiness, Agricultural Finance (SV AAA)**
[Heike Hoeffler, Katharina Schlemper, David Wilder]

EZ-Scout
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GBN Global Business Network
Programme
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- **Deutsche Landwirtschafts-Gesellschaft e.V. (DLG)** - German Agricultural Society [\[Link\]](#)
- **Afrika-Verein der deutschen Wirtschaft** – German-African Business Association [\[Link\]](#)
- **German Agribusiness Alliance (GAA)** [\[Link\]](#)



Afrika-Verein
der deutschen Wirtschaft

German
Agribusiness
Alliance

Business Round Table 'Future Market Africa!'

Agritechnica 2019

- **Location:** Convention Center (CC) on the fairground Hannover, hall 13/14
- **Date & Time:** November 12th 2019, 10:00 am-3:00 pm
- **Participants:** 115 persons
 - Representatives of German/European companies of agricultural engineering
 - Delegation of Working Group on Mechanization from the project 'Green Innovation Centres for the Agriculture and Food Sector' with various players (private sector, government, researchers) from African countries (Mali, Burkina Faso, Benin, Ghana, Ethiopia) and India
- **Short Description:**

African and German companies shared their practical experiences and discussed about how to develop business models and adapt options towards a modernisation of the agri-food sector in Africa. Furthermore, representatives from financial service providers and governments discussed options to finance businesses in Africa on the basis of success stories and challenges. AGRITECHNICA provided a unique platform for manufacturers, import and export companies and financial service providers of agricultural equipment to meet. During the business-to-business (B2B) part, participants had the chance to check the potential for future business cooperation.

The event is intended as a prelude to a process of stimulating cooperation with private sector in the agricultural / agricultural engineering sector. A similar event is planned for the next AGRITECHNICA 2021.
- **Weblinks:**
 - <https://www.agritechnica.com/en/fachprogramm/konferenzen/zukunftsmarkt-afrika>
 - https://intranet.giz.de/cps/rde/xchg/giz_intranet/XSL/hs.xsl/-/HTML/193944.htm (GIZ Intranet)
 - https://www.hannover.ihk.de/fileadmin/data/nw/catalog_18124963/html5.html#/22 (IHK chamber magazine)

‘Future Market Africa!’ Business Round Table at AGRITECHNICA 2019

Tuesday, 12. November 2019, 10:00 am to 3:00 pm

In cooperation with:



Business Round Table ‘Future Market Africa!’

Programme

Part I: Future Market Africa: Successful Business Models

Time	Topic	Speaker
10:00-10:05	<u>Words of welcome</u>	GIZ, Heike Hoeffler (Moderation)
10:05-10:15	<u>Introduction</u> : African agriculture on the road to modernisation: How does the German Federal Government supports business relations between European and African companies?	BMZ, Dr. Michael Wimmer
10:15-10:20	<u>Introduction</u> of the Business Round Table	GIZ, Ralf Barthelmes
10:20-10:40	<u>Keynote input</u> : Success story of a German technology manufacturer – market entry into sub-Saharan Africa	Petkus Technologie GmbH, Jan Hartmann
10:40-10:55	<u>Keynote input</u> : Successful business models of African companies	AEB Ltd. Burkina Faso, Nahondomo Palenfo
10:55-12:00	<u>Moderated panel discussion</u> (Moderation: Heike Hoeffler)	Dr. Michael Wimmer (BMZ), Jan Hartmann (Petkus), Nahondomo Palenfo (AEB Ltd.), Abrhame Endrias (Green Agro Solution)
12:00-13:00	Refreshment and communication break	

Programme

Part II: Financing of African businesses

Time	Topic	Speaker
13:00-13:10	<u>Introduction to the topic</u> : Financing African businesses	GIZ / EZ-Scout, Katy Schroeder, Chamber of Commerce and Industry, Halle
13:10-13:25	<u>Keynote input</u> : Financing business in Africa. The German Desk presents success stories and drawbacks	DEG, Matthias Boehning
13:25-13:40	<u>Keynote input</u> : New mechanism for managing financial risks of investments	NIRSAL, Aliyu A. Abdulhameed
13:40-14:30	<u>Talk-Show</u> : Successful financing of business models to modernise African agriculture (Moderation: Heike Hoeffler)	Josef Kienzle (FAO), Matthias Boehning (DEG), Aliyu A. Abdulhameed (NIRSAL), Alisa Jakob (Agricultural Bank of Namibia)

Part III: Business-to-Business (B2B)

Time	Topic	Speaker
14:30-15:00	<u>Business-to-Business</u> with coffee and cake	



Words of Welcome

Heike Hoeffler, GIZ



Introduction

Dr. Michael Wimmer, BMZ

German Federal Ministry for Economic Cooperation and Development (BMZ)

Dr. Michael Wimmer

African agriculture on the road to modernisation:

How does the German Federal Government support business relations between European and African companies?

- African agri-food industry is on course for modernisation. Not only farmers are emerging, also small and medium sized agri-processors are emerging. The African food industry is estimated to grow by 108 billion euros over the next years.
- BMZ fosters business models for economic cooperation and public-private partnerships in order to service the African market with customised capital goods, suitable agricultural machinery, and quality food and packaging machinery.
- BMZ understands that entering the African market is a challenge for German and European companies and BMZ is offering effective support for those willing to take up this challenge:
 - EZ-Scouts-Programme informs German and European companies about market potentials and framework conditions in Africa and provides contacts to networks and contacts
 - The develoPPP.de-programme is the best known instrument through which BMZ has been promoting private sector involvement in developing countries for many years
 - Recently launched Development Investment Fund for Africa provides with his "AfricaGrow" component growth capital for small and medium-sized business in Africa in different risk classes
 - Cooperation, funding and financing offers go hand in hand with BMZ Special Initiatives such as the ONEWORLD – No Hunger Initiative with its 15 Green Innovation Centres in the Agricultural and Food Industry and the Special Initiative Education and Employment

Homepage: <http://www.bmz.de/en/index.html>



Introduction to the Business Round Table

Ralf Barthelmes, GIZ (on behalf of Christel Weller-Molongua, Director of Division 'Rural Development and Agriculture')

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Ralf Barthelmes, Green Innovation Centres Germany

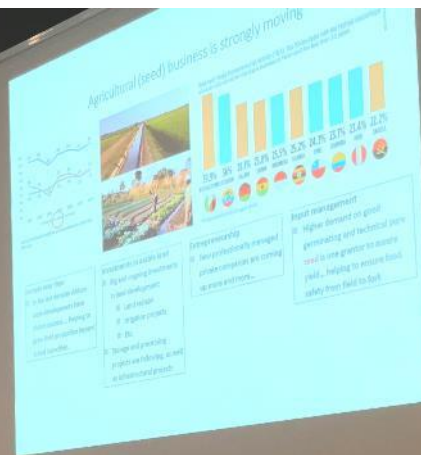
Introduction

- Farmers in partner countries of German development cooperation are struggling with various problems. Mechanization can play a major role to overcome these problems and can lead to an inclusive modernization of the agricultural sector. Investments in agricultural machinery and in the people using them are therefore key to develop perspectives in African countries.
- The German agricultural sector can make a decisive contribution at the interface between corporate interests and development policy goals. Private sector actors should use their innovative strength and resources to advance economic development worldwide. They are therefore important partners of German development cooperation.
- Entering the African market can be a challenge for German and European companies and needs expertise and experience. GIZ programmes, instruments and experts can support these companies in the endeavors.
- It is necessary to consider the entire value chain including upstream and downstream segments as well as the effects on cross-cutting issues, such as gender, youth and employment when discussing the development potential of agricultural mechanisation.
- In January this year, the Malabo-Montpellier Panel presented its report in Germany with the title **“MECHANISED - Transforming Africa's Agriculture Value Chains”**, which shows the impact of mechanisation on structural change. GIZ works according to these recommendations by international experts. These approaches include topics like joint mechanisation, such as machinery rings, or financing aspects.
- A working group on mechanisation has been established by the Green Innovation Centres with members from 11 country. The group is working to disseminate appropriate and economically viable mechanization solution.

Homepage: <https://www.giz.de/en/html/index.html>

Success story of a German technology manufacturer – market entry into sub-Saharan Africa

Jan Hartmann, Petkus Technologie GmbH (Germany)



Promising market of the future?
Invest in Africa

Petkus Technologie GmbH

Jan Hartmann, Head of Sales

Success story of a German technology manufacturer – market entry into sub-Saharan Africa

- PETKUS is a group of Technology, Innovation, Engineering and Service companies
- Development of individual, customer-specific and complete solutions: From investment planning and technological concepts through to delivery, commissioning and training for turnkey plants
- Products/Services: Sorting, Treating, Drying, Conveying, Mobile Plant, Storing, Filtration
- Employees: 350
- Establishment of Petkus Academy in the field of seed treatment in Africa (Ethiopia, Benin, etc.)

PPT-slides are attached or [DMS-Link](#) for GIZ staff

Homepage: <http://www.petkus.com/technology>





Successful business models of African companies

Nahondomo Palenfo, AEB Ltd. (Burkina Faso)

Agro Eco Business (AEB) Ltd.

Nahondomo Palenfo, Managing Director

Successful business models of African companies

- First commercially-run rice mill in south-western region of Burkina Faso (founded in 2015)
- Contract farming system with 6,000 farmers: Inputs are pre-financed by local banks and supplied by AEB Ltd.; AEB is also providing trainings (FBS/BUS, cultivation technique)
- 2019: Purchase of 2,500 tonnes of paddy rice
- Employees: 135
- Turnover: 1.2 mio. Euros



Photo slide show is attached or [DMS-Link](#) for GIZ staff

Homepage: not available



Future of Agri Business Round Table at AGRITECH

Tuesday, 12 November 2019, 10:00 am to 11:00 am

In cooperation with:



Panel Discussion

Panel (from left to right): Abrhame Endrias (Green Agro Solution), Jan Hartmann (Petkus), Heike Hoeffler (GIZ, Moderation), Nahondomo Palenfo (AEB Ltd.), Dr. Michael Wimmer (BMZ)

Panel discussion

Participants:

**Dr. Michael Wimmer (BMZ), Jan Hartmann (Petkus), Nahondomo Palenfo (AEB Ltd.),
Abrhame Endrias (Green Agro Solution), Heike Hoeffler (GIZ, Moderation)**

- The panel participants agreed that Africa has a lot of potential for future mechanization investments.
- Panel participants emphasized that mechanization in African agriculture means much more than tractors and soil tillage machinery – but that along the entire agricultural value chains a modernization with mechanization was needed to improve product quality (e.g. seed cleaning, harvesting technology, storage, packaging, etc.).
- Dr. Wimmer was particularly interested to know, what business models worked and how German Government could effectively support such mechanization investments.
- The example of Petkus machinery in Burkina Faso illustrated that mechanization investments can revolutionize a value chains – but that they need sound business models with the crucial part of viable financing models and an investment plan. It was also emphasized that “mechanization” doesn’t end with the investment – it was equally important to train farmers on the proper use of the machinery (as illustrated with the Petkus Academy approach or the “one-stop-shop” principle of Green Agro Solutions) and to provide potential investors with exposure to new technologies.
- The example from Ethiopia showed how African governments can effectively support mechanization investments by lowering import taxes and lowering exchange rate risks – thereby lowering the investment costs and risk without interfering into the market.
- Panel participants agreed that development cooperation could encourage such government efforts within government-to-government dialogues and that good practices with companies like Petkus could be further promoted in other African countries.
- Members from the audience mentioned that public-private partnership models like develoPPP would be useful and should be scaled up.



Introduction to Part II

Katy Schroeder, GIZ

EZ-Scout Programme

Katy Schroeder

Introduction

- Not just a question of mechanising field cultivation, but of modernisation along the value chains
- One aim of this Business Round Table should be for German and European companies to recognise the new dynamics in sub-Saharan Africa:
 - African governments are supporting with their import substitution policy the local production and establishing mechanism such as NIRSAL for risk hedging of investments in agriculture sector or 'one district one factory' approaches
 - Commercial banks are specifically promoted for financing businesses in agriculture sector with improved know-how
- German and European companies who are interested in investing in Africa have access to an extensive network of experienced advisors, who can give information about framework conditions and market potentials, arrange contacts on the ground and provide information about support and financing instruments:
 - EZ-Scouts sent to selected chambers, organisations and associations in German industry ([Link](#))
 - ExperTS work in German Chambers of Commerce Abroad (AHKs) and advise German, European and local companies worldwide on development policy issues in around 30 developing countries and emerging economies ([Link](#))
 - Global Business Network is setting up Business&Cooperation Desks in selected countries in Africa and Asia. The focus is on countries, which are not yet covered by German foreign trade institutions ([Link](#))



Financing business in Africa **The German Desk presents success stories and drawbacks**

Matthias Boehning, DEG / PIRON Global Development

German Desk – Financial support and solutions

Matthias Boehning, Managing Director of PIRON Global Development

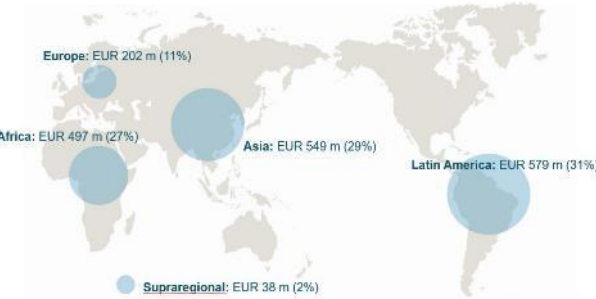
»» New commitments 2018 by region

Around EUR 1.9 bn allocated to entrepreneurial investments

Financing business in Africa

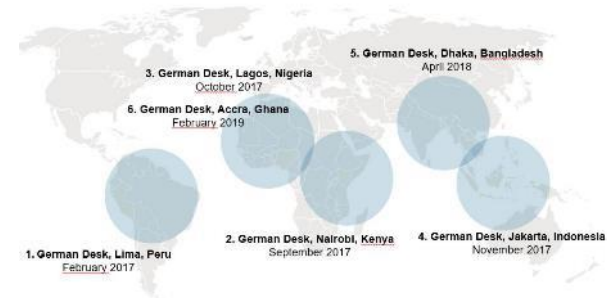
The German Desk presents success stories and drawbacks

- Together with partner banks and the local German Chambers of Commerce, DEG is offering "German Desks"
- The service is available for SME German companies and their local trading partners. The particular needs of German firms and their local partners are handled at the office by a bank employee who operates in both languages and cultures.
- The range of services extends from setting up accounts through services for financing trade and transaction banking, to credit lines or investment financing for local companies wishing to acquire German equipment, for example



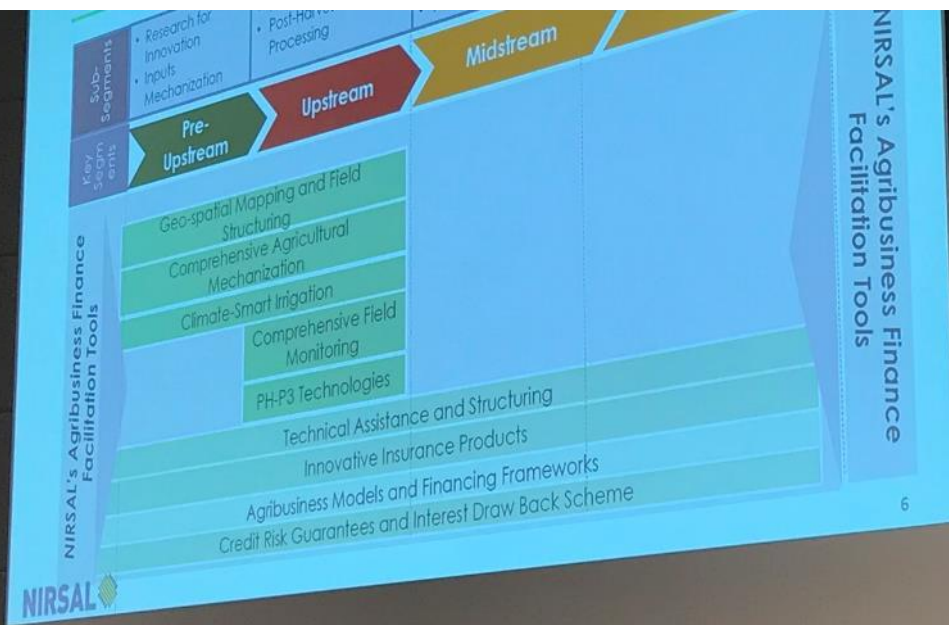
German Desks – Global Footprint

– German Desks in Latin America, Africa and Asia



PPT slides are attached or [DMS-Link](#) for GIZ staff

Homepage: <https://www.deginvest.de/International-financing/DEG/Unsere-Lösungen/German-Desks/>



New mechanism for managing financial risks of investments

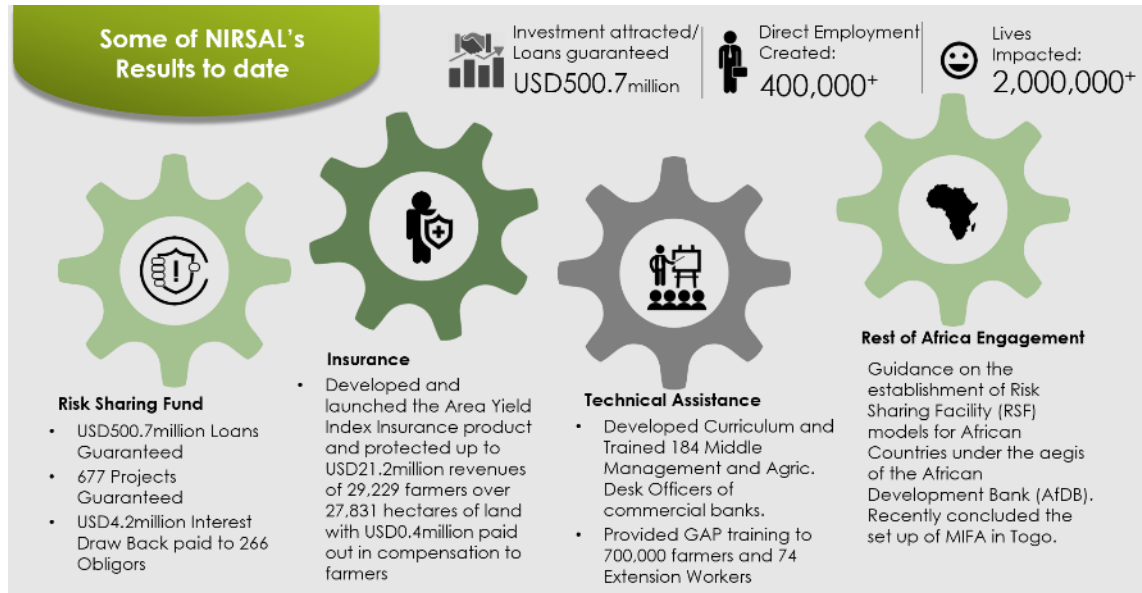
Aliyu A. Abdulhameed, NIRSAL

NIRSAL

Aliyu A. Abdulhameed, Managing Director / CEO

New mechanism for managing financial risks of investments

- Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL Plc.) is a US \$500million Non-Bank Financial Institution wholly-owned by the Central Bank of Nigeria (CBN)
- NIRSAL's mandate is to stimulate the flow of affordable finance and investments into the agricultural sector
- Strategic pillars: Risk Sharing, Insurance, Technical Assistance, Incentives and Rating



PPT slides are attached or [DMS-Link](#) for GIZ staff

Homepage: <https://nirsal.com/>



Talk-show: Successful financing of business models to modernise African agriculture

Panel (from left to right): Alisa Jakob (Agricultural Bank of Namibia), Heike Hoeffler (GIZ), Aliyu A. Abdulhameed (NIRSAL), Josef Kienzle (FAO), Matthias Boehning (DEG, *not shown in picture*)

Talk-show: Successful financing of business models to modernise African agriculture

Participants: Josef Kienzle (FAO), Matthias Boehning (DEG), Aliyu A. Abdulhameed (NIRSAL), Alisa Jakob (Agricultural Bank of Namibia), Heike Hoeffler (GIZ, Moderation)

- All panel participants agreed that financing business models for mechanization investments was the biggest obstacle to more mechanization investments in African agriculture.
- It was stated that all over Africa, conducive agricultural finance opportunities were lacking.
- The example from Nigeria illustrated impressively how a strong public programme with a market oriented approach can initiate change. It also showed the importance of scale for mechanization (at least for soil tillage): below certain land sizes, farmer have to build organizations that support the collective use of machinery.
- The example of the Agricultural Bank of Namibia showed how governments could effectively engage in supporting the agricultural sector by training their staff on questions of productivity and product quality – so that they could effectively assess agricultural investments (and finance them based on realistic assumptions).
- Josef Kienzle hinted to the costs of risks in financing mechanization: FAO has identified 10 kea areas in which to reduce the risk premium in agricultural mechanization.
- The model of a German Desk was appreciated and seems to be an effective tool to support Germany based companies in their investment decisions in Africa. Here, it was mentioned that financing agricultural investments was not that different and would not be treated differently from other investment financing.
- Further to foreign (German) investments in Africa it was also agreed upon that Africa needed also the domestic private sector to invest in the modernization of the agri-food sector. More dialogue with governments and banks on public support schemes were needed. Possibly also the production of African technology and machinery.



Business-to-Business

Business-to-Business

‘Yes, we took the chance to exchange and hope that one or the other of the contacts will continue.’

Dr. Franz Busse, Pöttinger

‘At the Business Round Table during the AGRITECHNICA 2019, I met the owner of a company that assembles tractors and trailers in Addis Ababa. In the future he seeks to import front loaders for the tractors....’

Klaus Leppkes, AGRI+OW CONSULT LEPPKES

‘We so appreciate all the linking that was done for us – and we met some very interesting potential clients and contacts at the event.’

Christabel Blanch, Alvan Blanch

‘Bringing two or more future business partners from Germany and African countries together, getting to know each other, reducing fears and much more in this direction is the first step towards a sustainable business relationship! [...] Speeddating is certainly not easy to organize, but five to 10 minutes in an organized meet and greet with divided tables and times might have been a little more effective. I am very happy to have got some new contacts, with some of which I am already in exchange!

Karsten Bechtel, TRIBODYN

‘The event was successful and interesting for us.’

Paul März, fairtrade



Evaluation

Feedback: 41 received feedback questionnaires

How do you judge the event in terms of....

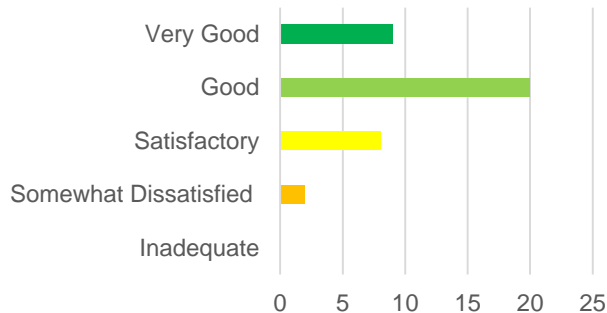
...information content?



...seeking new business partners?



...exchange of experiences?



...getting information on financing?



Suggestions for future events:

- Evaluation, votes and comments from the audience by smartphone
- Allow for more case studies and companies to be presented
- Allow for more financing opportunities to be presented
- Allow for more information about the business-to-business meetings prior to the event; improve on identification of potential business partners and matchmaking moderation

Contact



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Annex with all presentations (separate document)

- 1. Petkus Technology GmbH** (Jan Hartmann, Germany)
- 2. AEB Ltd.** (Nahondomo Palenfo, Burkina Faso)
- 3. German Desk / DEG** (Matthias Boehning, Germany)
- 4. NIRSAL** (Aliyu A. Abdulhameed, Nigeria)