

Here's to a modern Africa of continental free trade and energy access

By [Hasnaine Yavarhoussen](#)

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Africa historically has been an easy target for negative generalisations in the media. Until the early 2000s, stories of conflict, war, poverty, corruption, aid and unemployment dominated the headlines. But today's Africa is not so one-dimensional, nor is it doomed.



Hasnaine Yavarhoussen, CEO, Groupe Filatex.

With a landmass three times the size of Europe, Africa is in fact a thriving and diverse continent, home to a boundless variety of cultures, customs and communities, as well as wildlife, environments and natural resources. Moreover, the number of innovative, indigenous companies is on the rise, supported by talented young Africans and a growing pool of middle-class consumers.

Africa has the raw ingredients to deliver broader and more sustainable growth over the coming decades – but to achieve this, in my view, the continent needs to benefit from the much-anticipated African Continental Free Trade Agreement (AfCFTA), and from a concerted increase in energy access to urban and rural communities alike. I am beholden to the African Union for the instatement of the former, but as to the latter, I have dedicated a large part of my company strategy to helping achieve it: the development of new, clean energy sources.

A key hindrance to Africa's economic growth is the current lack of access to electricity. Reliable and affordable energy is critical for lifting people out of poverty, and is directly linked to economic growth. The Covid-19 pandemic is likely to drive economic growth down in Africa by -3.4% in 2020, and the continent will struggle to rebound to its full potential without reliable energy access. Around 600-million Africans lack access to electricity, and even those who are lucky enough to have a connection often experience power shortages due to high demand and weak electrical systems. Such a serious shortage means we need to generate additional power from alternative sources.

Renewable energy

I strongly believe in the potential of renewable energy and technological innovation to provide a solution to many of Africa's economic problems. Not to mention to help alleviate climate change in Africa, which is dominating the global energy debate. Changing weather patterns in Africa are increasing the destruction of droughts, floods and cyclones, which contribute to

the continent's struggle to feed its population and its status as a net food importer.

A reliable renewable energy supply can improve food security by strengthening local agricultural resilience: when farmers can run electrical appliances, such as cold storage units, machinery and transport, they are able to boost their yields and reduce reliance on carbon-emitting wood. However, local farms, other businesses and households often cannot afford the expensive upfront costs of renewable energy infrastructure such as solar panels. Alternatively, in some cases, they buy cheap and unreliable, imported renewable products with short lifespans.

Emerging innovative solutions are unlocking the abundant capacity of Africa's natural resources, ensuring the supply of environmentally-friendly and efficient power across Africa. In fact, technological development is key to fast-forwarding cost-effective, sustainable solutions. At Groupe Filatex, we are constantly leveraging innovative renewable technologies to help solve Africa's energy issues. In Madagascar, our home country, shockingly only 15% of the population has a reliable electricity connection, which falls to just five percent in rural areas. We are rolling out our solar mini-grid solutions with the aim of improving this figure, providing electricity to rural communities that are not connected to the national grid. We are also piloting fully portable and mobile solar units in Madagascar's port city of Tulear: its 200 pre-wired and pre-assembled PV panels can be shut away in harsh weather conditions, and effectively "plug & play" in good weather in just 30 minutes.

Bridging Africa's energy gap with cost-effective, innovative, technological renewable solutions is one of our primary goals. We are passionate about expanding clean energy access to all Africans.

I have no doubt that Africa's entrepreneurial, tech-savvy and innovative minds will help to shift the continent towards a more sustainable and prosperous future. But decarbonisation is not happening fast enough to meet the goals of the Paris Climate Agreement. The current trajectory suggests a 2.3 Celsius rise in global warming by 2100. National and pan-African government policies will be essential to reduce carbon emissions, encourage a green economic recovery from the global pandemic, and boost energy access across Africa.

Transformation

The new AfCFTA pact is the most ambitious intra-regional effort in history to promote sustainable economic development in Africa. With a combined market of over 1.3-billion consumers and \$3.4trn, AfCFTA will become the largest FTA in the world. With more transparent market conditions and reduced transaction costs, the agreement will multiply the value of its 54 diverse economies, and position the continent as a more attractive investment hub, reducing Africa's heavy reliance on foreign trade partners. It is hard not to wax lyrical about the pact – AfCFTA will open up access to education, training and employment; it will accelerate innovation, enable market collaboration, not to mention facilitate the movement of capital, people, information and products. Moreover, it will eliminate 90% of tariffs, thus improving competition, stability and efficient resource allocation – including the efficient supply and demand for energy.

AfCFTA has remarkable potential to transform Africa's energy sector specifically. It is fundamental that a renewable trading platform is designed to exploit Africa's natural renewable resources with the greatest efficacy to serve local populations. I strongly believe that the efficient flow of renewable energy among African nations will relieve pressure on individual

countries' limited infrastructure, and will ensure that the continent's energy demands are more accurately and affordably matched by a greater choice of diverse suppliers. The regions that most require energy, or those faced with emergency situations, will be able to improve the security of their energy supply from the most affordable supplier at the time.

Despite the pandemic delaying AfCFTA's launch to January 2021, the commencement date is around the corner. The new framework will shield Africa's economies from other global shocks in future. It will soon expose Africa's flourishing, competitive generation, enable cross-border collaboration and offer immeasurable investment opportunities. It is time for the world to let go of the outdated stereotypes it associates with our thriving continent – a modern Africa is awakening.

Source: Africa Oil and Power

ABOUT THE AUTHOR

Hasnaine Yavarhoussen is the CEO of Groupe Filatex.

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