

Automotive cooperation between Africa and Germany

Engine for innovation, growth and jobs



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Introduction

Africa is home to fast growing economies with a young, growing population and rapid rates of urbanisation along with very low rates of motorisation. By 2035, the continent is expected to have the largest labour force potential in the world¹.

The automotive and logistics sector holds a key position due to its sustainable value creation in supplier networks, assembly plants, distribution structures and pan-African trade relations and offers great potential for innovation, growth and jobs. The digital economy and sustainable mobility have particularly high development potential. Thus, the automotive sector is striving to become an engine for innovation, growth and jobs. The level of motorisation in Africa is just 42 vehicles per 1,000 inhabitants, which is significantly below the global average of 182 per 1,000.

Beyond BRICS, African markets could represent the next (/last) major opportunity in the automotive sector

A young, growing population and rapid rates of urbanisation point to numerous future opportunities for growth

Unprecedented population growth

Africa's population of 1.3bn currently, is expected to reach **2.5bn by 2050**, 1 in 4 people in the world will be from Africa

A growing middle class

The middle class is growing, with GDP per capita across the continent rising \$598 in 2000 to **\$1589 in 2018**, and estimated to grow to **\$2340 by 2030**

Leapfrogging technologies

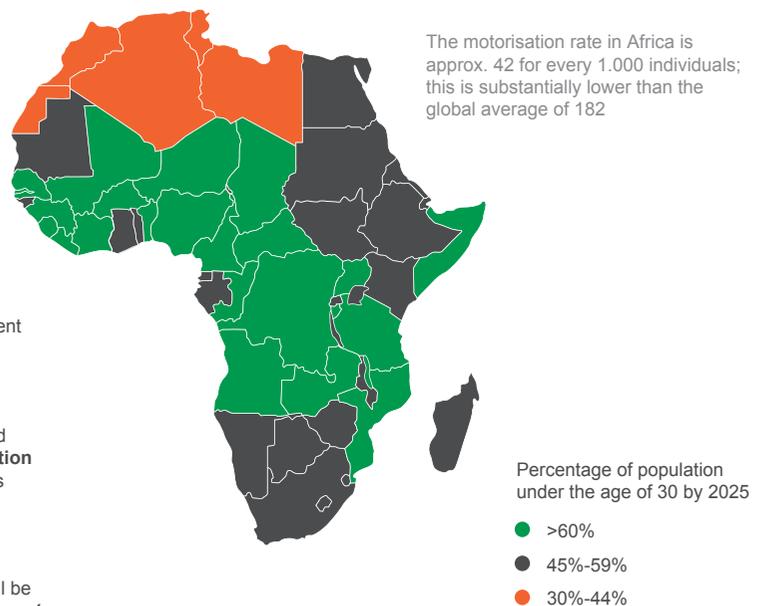
The continent is tech savvy, with over **1bn mobile subs already**. Similarly, the continent is home to 643 tech & innovation hubs

Rapid urbanisation

Africa's **urban population** level is projected to reach **46% of the total region's population by 2025** from a current level of 40%. This is expected to **increase to 60% in the 2050s**

Africa's youth

By 2025, **over half** of Africa's population will be **under the age of 30**. Africa will have the **largest working-age population** by 2034 at 1.1bn people – an asset in an ageing world



Sources: UN Habitat, 2018; IMF, 2020; GSMA, 2019; Fitch, 2019

Figure 1: Future outlook on Africa; Sources: AAAM 2020; UN Habitat 2018; IMF 2020; GSMA 2019; Fitch 2019

The German automotive industry is globally connected like no other. With over 2,500 production facilities abroad, German manufacturers and suppliers contribute to growth and prosperity in over 70 countries around the world. At the same time, the companies use their know-how to contribute to sustainable mobility with environmentally-friendly technologies on site.

¹ Source: World Bank 2017: Creating Jobs for Africa's Growing Population (worldbank.org)

The German Association of the Automotive Industry (VDA) intends to increase its involvement in Africa. Egypt and Morocco in particular, along with South Africa, Ghana, Nigeria, Kenya, Ethiopia and Rwanda, are key catalysts for this vision.

The aim is to foster trade relations and promote investment. In 2019, the VDA, the Federal Ministry for Economic Cooperation and Development and representatives of business and research signed the declaration of intent to form the “Pan-African Mobility Alliance” (PAMA).

To further strengthen its commitment in Africa, VDA joined hands with the African Association of Automotive Manufacturers (AAAM) in June 2020 as part of the BMZ’s PartnerAfrica project.

An in-house cluster for the association partnership in Berlin and two project offices in Africa, one in Johannesburg (South Africa) and one in Accra (Ghana), are responsible for implementation and supporting direct local contacts for its members and partners.

With both projects, VDA is pursuing the goal of creating improved conditions for a flourishing automotive industry on the African continent in order to increase welfare in Africa and enable member companies to participate in market growth and foster win-win trade between Europe and Africa. The untapped demand from Africa is coupled with a steady rise in consumer spending, which has risen over the past few years at an annual rate of 10%. In addition, analysts estimate that over half a billion Africans will have reached the middle class by 2030². The estimated forecast for the sale of new light vehicles in Africa will be around 1,790,371 million in 2027. This is an 85% increase on the demand for new vehicles as opposed to 2020³. AAAM estimates the African new-vehicle market can grow to 3 million by 2035, then eventually to 5 million⁴.

Starting position and goal

Africa has great potential as a market and production location for the German automotive industry. In 2019, the total volume of new vehicles sold in the African new vehicle market (passenger cars) was around 869,000 vehicles. Last year, a total of 61,600 passenger cars were exported from Germany to Africa. Overall, the most important market in Africa is South Africa. Last year, 49 percent of new car exports from Germany to Africa went to South Africa. In 2019, around 357,000 passenger cars were sold in the most southern country of Africa, with German OEMs accounting for around 34 percent. German automakers have greatly expanded their production in South Africa in recent years. Compared to 2010, their production has increased by 44 percent to 317,000 passenger cars. VW, Daimler and BMW manufacture locally. Total passenger car production in Africa in 2019 was around 787,000 units. In comparison: In the US, 10.54 million passenger cars/light vehicles were produced, in the EU27, 15.78 million⁵.

However, any investment in Africa faces numerous political and economic challenges, and this continues to discourage investment in the continent. The following hurdles are cited as being among the main reasons for hesitant investment: low purchasing power, political instability, fragmented markets, bureaucratic complexity, import trade barriers, lack of financ-

² Source: African Business 2020: <https://news.africa-business.com/post/africa-automotive-manufacturing>

³ Source: IHS Automotive 2020

⁴ Source: Financial Mail 2020/AAAM 2020

⁵ Source: VDA Statistics 2020

ing opportunities, poor infrastructure, expensive logistics, low fuel quality, lack of standards and the dominance of and lack of regulation in the used car market.

A competitive automotive industry needs to be developed based on technical requirements, complex logistics and the necessary large quantities in production (economy-of-scale). As successfully practiced in other countries, political and economic framework conditions must be created that make it attractive for international OEMs and suppliers to invest, produce and continue establishing local or regional supply chains.

Only by creating suitable conditions for private investment can the potential of the African continent be utilised for rapid and effective economic development of the industry. This goes hand in hand with economic development and growing purchasing power, opening up new markets, expanding trade relations and creating local employment.

The newly created AfCFTA⁶ Secretariat based in Accra is a strong supporter of and leader in the industrialisation of the Automotive Sector in Africa. Currently, there has been openness from governments in Africa to explore and implement policy frameworks to enable establishing substantial automotive industries.

For the German automotive industry, Africa is gaining in importance not only as an export destination, but also as a local production site: In recent years and months, German automotive manufacturers and suppliers have invested not only in the established markets of the Maghreb region and South Africa, but also in future markets such as Ghana and Rwanda.

The VDA strongly supports the industrialisation on the African continent by sharing our knowledge of the industry, by creating platforms for exchange and by building bridges between countries, between public and private institutions as well as between people. We are committed to build up our relationship in the following six clusters: sustainability & development, trade, investment & market access, stakeholder management & partnerships, training & employment, resources, energy & e-fuels and digital mobility solutions.

⁶ AfCFTA=African Continental Free Trade Area

1. Sustainability & Development

1.1 Sustainability

It is the declared goal of the German automotive industry to drive with zero emissions globally. There are several ways to achieve this goal, such as battery-powered mobility, hydrogen, fuel cells, but also CO₂-neutral fuels and optimisation of existing technologies. There will be different paths in different regions worldwide. The German automotive industry is known and recognised around the world for its innovative solutions: we want to maintain and strengthen this.

The German Automotive industry wants to be the lead provider of sustainable and resource-saving mobility on the African continent.

New challenges arise from rapid and complex changes in the automotive industry. These include the shift towards electromobility, the ongoing digitalisation and the development of new markets, supply chains and raw materials. The German automotive industry is committed to the fact that responsibility for people and the environment does not end at the factory gate, but must be anchored throughout the entire supply chain.

The responsible shaping of a sustainable and successful global economy is of particular importance for Germany. Few countries are as internationally interlinked as the Federal Republic of Germany. German companies are making an important contribution worldwide to the creation of jobs and the raising of environmental and social standards, both themselves and along their supply chains.

All these requirements must be taken into consideration while talking about resources as copper, cobalt or bauxite which are indispensable raw materials for the automotive industry. In this respect, the VDA and its members support initiatives such as "Drive Sustainability" or the "Global Battery Alliance". Furthermore, governments and supranational organisations must foster the process of reassuring sustainability of the supply chain.

1.2 Development of supply chain for small and medium enterprises and OEMs⁷

There are many opportunities for African SMEs collaborating with EU carmakers and tier 1 suppliers: first, there is an opportunity for workshops and dealers to work with OEMs and tier 1 suppliers looking to build a network of partners for the after-sales business. The cooperation offers various advantages for local companies: through the OEMs and component suppliers, they gain access to innovative technologies, can add new products, such as spare parts for new cars, to their range and offer new service and repair services. In doing so, they benefit from the know-how and support of the OEMs, who want to guarantee their customers reliable and high-quality after-sales support. If the OEMs move from the pure assembly of vehicle components (SKD, PKD)⁸ to local production, SMEs from various industries have the opportunity to become part of the automotive value chain as suppliers. For producers of raw materials and basic materials, such as metals, plastics or textiles, and manufacturers of individual components, such as screws, seals or bearings, the primary opportunity is to acquire other suppliers as customers (so-called tier 3+ suppliers). This enables SMEs to expand their customer base and increase their sales volume.

⁷ OEM: Original Equipment Manufacturer

⁸ SKD: Semi-knocked down; PKD: Partly-knocked down

Next, local companies can start to manufacture specific products for the automotive industry, such as plastic panels or seat covers (tier 2 suppliers) and thus expand their portfolio of products and services.

All SMEs that are involved in the supply chain of a large OEM also benefit from the comprehensive systems for qualification, control and quality assurance, thus adapting their production to international standards. The improved production standards also enable companies to increase their competitiveness in other market segments.

A sustainable approach to a low-emission mobility of the future means targeting the unregulated used car import market in Africa as well. According to the UNEP report, the EU is the largest exporter of used vehicles to developing and transition countries, with around 40 percent of EU trade in used light commercial vehicles going to these countries⁹. Between 2015 and 2018, the EU exported around 7.6 million used vehicles to countries outside the European Union. The main destinations for EU exports are African countries and the EECCA block¹⁰. In 2018 alone, the EU exported just over 1 million used light commercial vehicles to Africa (out of a total import in Africa of about 1.5 million used light commercial vehicles this year). An EU-sponsored incentive system could help to get old and unsafe cars off the road and replace them with new, safe and low-emission cars. Policy makers and banking institutions should support the African customer with suitable financing conditions for the car purchase.

It is therefore in Germany's and Europe's interest that Africa's streetscape is no longer dominated by old used cars, but that modern, ecologically and economically viable vehicles become affordable for the African population: both to secure jobs and tax revenues in Germany and Europe, and to create jobs in Africa and promote sustainable industrialisation – with positive consequences for Africa, Germany and the EU.

At the same time, circular economy approaches must be promoted to reintegrate electrical waste into value chains. Initial approaches to this already exist, but these should be intensified and supplemented by further African-German industrial partnerships.

The VDA supports sustainable technologies and the development of a local African supply chain. An EU-supported incentive system could support fleet renewal to further foster cleaner and affordable mobility.

⁹ UNEP: United Nations Environment Programme, 2020: <https://www.unep.org/resources/report/global-trade-used-vehicles-report>

¹⁰ EECCA Block - Eastern Europe, Caucasus and Central Asia

2. Trade, Investment & Market Access

2.1 Trade and Investment

The automotive industry is often a key factor for the development of the local economy. Transnational trade and investments are basic elements of economic success and welfare.

It is particularly important for the many medium-sized companies to have access to the global markets, especially in the automotive industry. For automobile manufacturers, and particularly their employees, it is crucial to be able to produce under attractive framework conditions.

Many countries are attempting to protect their market and attract investments with high customs duties. But it needs more to attract investment and create a sustainable industry: a special policy is needed in addition to WTO-conform investment incentives. Economies of scale, attractive markets conditions and a reliable framework are indispensable.

The global coronavirus crisis should not be used as a reason to restrict international cooperation and cross-border value creation chains over the long term. Despite all of its challenges, globalisation has predominantly brought prosperity and, above all, an improvement in living conditions. Environmental protection must also be financed and, primarily, globally coordinated. Protectionism and isolation quickly lead to further conflicts, as shown by the trade disputes between the USA, China and the EU. Constructive cooperation at a multi-lateral and bilateral level is preferable to national solo efforts in any case. Therefore, the German automotive industry is also supporting the work of the World Trade Organisation (WTO) and its reform.

In recent decades, production abroad has increased in parallel with export success. Therefore, market barriers and high regulatory requirements are major challenges for automotive manufacturers and its suppliers.

Calls for “renationalisation”, “reshoring” or protectionism do not point in the right direction. Rather, international cooperation should be strengthened, and trade barriers further reduced.

“Free trade” and “globalisation” have come under increasing criticism in recent years. It is often forgotten that, in addition to the effects on prosperity and jobs, there are also many positive effects on international cooperation that have contributed to peace and cross-border friendships. It cannot be denied that companies in the automotive industry want and need to make a profit. This requires a successful business model – while taking all relevant framework conditions into account. International trade and cross-border supply chains are essential components and success factors for the global automotive industry.

Automobile manufacturers and suppliers need economies of scale in order to sustainably establish local production units with significant added value on site. The African market currently has various trading blocs such as ECOWAS, SADC, EAC and COMESA¹¹. As the VDA strongly supports trade, the African Continental Free Trade Area (AfCFTA) and a

¹¹ ECOWAS: Economic Community of West African States; SADC: Southern African Development Community; EAC: East African Community; COMESA: Common Market for Eastern and Southern Africa

Pan-African Auto Pact could foster the further development of the automotive industry. The following graph shows the idea of a Pan-African Auto Pact establishing regional values chains based on the ideas of AAAM and various other stakeholders:

The new vehicle market in Africa could increase from 1m to 5m p.a. with a Pan African Auto Pact

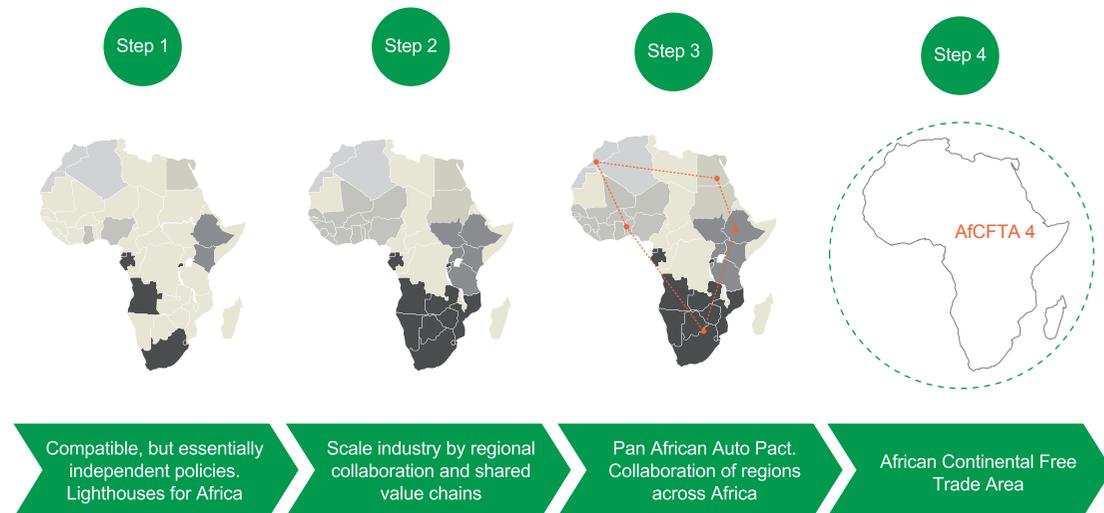


Figure 2: The Pan African Auto Pact, Source: AAAM 2020

Source: AAAM 2020

The newly created AfCFTA Secretariat based in Accra is a strong supporter of and a leader in the industrialisation of the automotive sector in Africa. With increasing interest in diversification and industrialisation among African leaders and the rise of the AfCFTA in order to benefit from a single and integrated market, there has been openness from governments in Africa to explore and implement automotive policy frameworks to enable establishing substantial automotive industries. Whilst much work has still be done in the implementation of the AfCFTA agreement, it has nevertheless been ratified by 28 countries. In the absence of a Pan African Auto Development Plan (Auto Pact), the current sub-optimal situation will continue as it will be very difficult for individual economies to start up an effective auto industry. Regional scale and a single market are required to enable competitiveness.

The above-mentioned developments could lead to the creation of jobs in a large number of countries in Africa, while at the same time securing jobs in Germany and Europe. This requires the right cooperation framework between the EU, AU and their member countries, starting with countries such as South Africa, Morocco, Egypt, Ghana, Kenya or Ethiopia. Germany, the EU and the AU should promote coherent automotive strategies within Africa and in bilateral and multilateral exchange. We support future negotiations for a Free Trade Agreement between the EU and the AU. The bilateral trade agreements between several African countries and the EU are already an important pillar for cooperation¹². Some agreements are still pending and need to be ratified to become effective. We are committed to reducing barriers between the EU and Africa.

¹² Please see Appendix for summary

VDA supports intensified trade relations between the EU and Africa. VDA stands for free and fair trade, and for reducing trade barriers. Local automotive policies should take into account local conditions for the development of the industry and of jobs and purchasing power. Policies must be aligned with WTO rules to enable a level playing field.

2.2 Standards and Regulations

For the German Automotive Industry, sustainability not only means low-emission vehicles, but also equal and comparable international standardisation and regulation. This applies particularly to fuel quality, emissions and safety, not only for new cars, but also aftersales spares. The VDA supports comparable regulatory instruments and standards that are mutually recognised, based on the UN-ECE¹³ system, in Africa and offers its support based on the European and worldwide harmonization experience.

Common standards contribute to a substantial reduction of trade barriers in all economic sectors. Through standardisation and harmonisation, they ensure safety, reduce costs and facilitate the integration of companies into the value chain and international trade. New or changing technical regulations in different countries can create unnecessary and unjustified technical barriers to trade. Discrepancies between product regulations can create additional costs for exporting companies and restrict trade.

Currently, the lack of equal and comparable international standardisation and regulation is also a reason why the regional free trade agreements do not enter into force – common standards are of crucial importance in the automotive industry. This aspect goes hand in hand with homologation – which is also of major importance.

It must be noted that the EU commission has already started a revision process of several regulations in order to execute its Green Deal to comply with targets set by the Paris Agreement. In this process – introduction of revised regulation within 2021 – each of the decarbonisation pathways, such as new powertrain technologies or non-fossil renewable fuels, should also be considered in terms of impact on future trade barriers.

We promote equal and comparable international standardisation and regulation, and are ready to offer know-how transfer dialogues between technical experts from Germany and the EU and African standardisation bodies. We encourage African authorities to join international standardisation committees. Systems for safety inspections in Africa should also be implemented. The German automotive industry can and would like to declare its support.

¹³ UNECE: United Nations Economic Commission for Europe

3. Stakeholder Management & Partnerships

The German automotive industry has been active in developing and emerging countries for many years. This ongoing commitment is to be further intensified and expanded in the future. The ongoing coronavirus pandemic has shown how important, but also how established the cooperation between the private and public sector between Africa and Germany is: together with the support of the German Federal Ministry for Economic Cooperation and Development (BMZ), our members joined forces with African governments to effectively fight the pandemic by supplying medical equipment.

The successful cooperation between the VDA and the BMZ, as well as the German Corporation for International Cooperation (GIZ), will be continued within the framework of the Development Cooperation Scout Program. This German development cooperation has a close-meshed network of locally based experts and a wide range of funding and cooperation opportunities. This partnership-based cooperation is mutually beneficial: it helps the automotive industry to gain access to often challenging markets and, in cooperation with local and regional structures, to take advantage of market opportunities as they arise. At the same time, it is in the interest of development policy to improve local prospects by involving the private sector to create jobs in partner countries.

This is precisely where the VDA comes in with its newly created partnership with the Association of African Automotive Manufacturers (AAAM). AAAM – founded by international OEMs in 2015 – provides technical automotive, component manufacturing, skills and policy-related advice and support to promote the development and industrialisation of the automotive industry in Africa. The members of AAAM are global OEMs, component manufacturers and service providers who can support the development of effective automotive ecosystems. With the support of the BMZ, the partnership aims to establish an automotive industry in African countries as part of the “Special Initiative (SI) Training and Employment”.

Association partnership Africa-Germany AAAM-VDA

Fields of activity

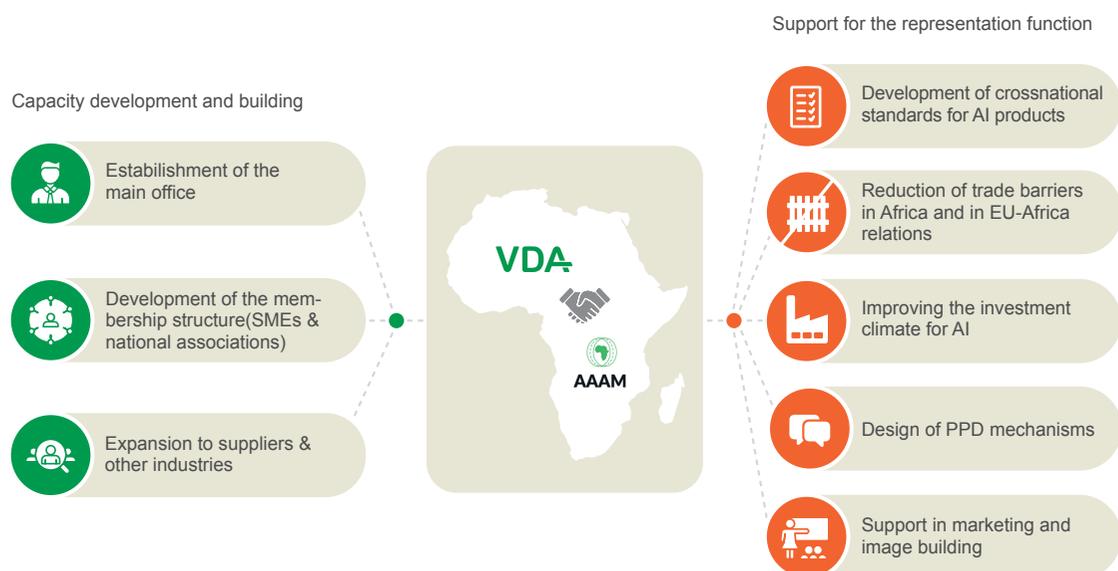


Figure 3: Association Partnership VDA-AAAM, Source: VDA 2020

Source: VDA 2020

to create high-quality training and employment opportunities, to support the development of the partner association's framework conditions and infrastructure for the further organized industrialisation of the African continent, and to deepen the dialogue between the private sector and politics.

AAAM and VDA jointly foster a strong communication strategy in targeted countries that will make a step change in enabling governments to implement progressive automotive policies. The business and social benefits need to be well articulated by key stakeholders in order to allay the fears of used car importers, etc. who would actually benefit from a second-hand car industry based on vehicles assembled in Africa, along with efficient and affordable financing for new and used vehicles.

With its white paper, the VDA advocates increased cooperation between Germany, the European Union and African governments signing up to the Pan-African Auto Pact and the African Union. The aim is to create a comprehensive framework for a future partnership that will enable all sides to achieve their common goals and tackle global challenges. A close exchange between the international automotive industry groups and African governments is desired. The VDA supports an institutionalised dialogue between the automotive industry and policy makers. The VDA intends to support the establishment of private-public dialogue forums.

We are also expanding our involvement with important stakeholders such as GIZ, the German-African Business Association (Afrika-Verein der deutschen Wirtschaft), the German Chambers of Commerce and Industry (AHKs), and various stakeholders.

The VDA aims to intensify the cooperation between Germany, the EU and the AU, to strengthen the cooperation between stakeholders and politics and to promote a joint communication strategy in African countries.

4. Training & Employment

The main challenge in Africa is the low rate of industrialisation and thus the limited supply of qualified jobs in the formal economy. A majority of the population works in the informal sector under poor working conditions with an income that does not fulfil basic needs. At the same time, the educational systems in these countries are not able to meet the existing demand for skilled workers in the economy, in part because the interests and know-how of the private sector are not sufficiently taken into account. Well-trained specialists are important for international OEMs to invest in the African continent.

Therefore, we aim to jointly improve the boundary conditions for the establishment of an automotive industry in African countries and thus create the basis for investments by international OEMs. With the right framework, the partial assembly of vehicles (SKD) and the development of the after-sales market via PKD and CKD¹⁴ could move to the establishment of an own automotive production unit (CBU)¹⁵ with local or regional supply chain. Although the number of newly created jobs directly in the assembly of partially dismantled vehicles (SKD) is limited at first, there will be immediate employment effects in the after-sales business, which the OEMs will have helped to build up from the very beginning. With the further development of the industry (PKD, CKD, CBU), more and more jobs will be created for skilled workers in assembly and production, and in supplier companies. The quantitative employment effects in the automotive industry are therefore not comparable in the short term with less complex industries, where production can be built up with semi-skilled workers. On the other hand, jobs are generated in the automotive value chain for well-paid skilled workers in permanent employment, and companies invest in their training and further education. Due to the considerable investments and the commitment required to set up production and complex supply chains, as well as the qualification of skilled workers, the commitment of international automotive companies in a market is also usually long-term.

Together with providers of dual vocational training, the VDA wants to support training centres and local training in order to make a contribution to high-quality jobs and job prospects.

The VDA's aim is to improve the framework conditions for the development of an automotive industry in African countries, create the basis for investment by international OEMs, support local training and thus to make its contribution to high-quality jobs and job prospects.

¹⁴ CKD: Complete knocked down

¹⁵ CBU: Complete Built Unit

5. Resources, Energy & E-Fuels

Africa plays an important role as a supplier of raw materials to the automotive industry. It can become similarly important in the realm of energy in the future. Therefore, existing partnerships are being strengthened, and new ones established. We also support efforts to improve sustainability and social standards (cf. Sustainability chapter).

Many raw materials used in the automotive industry are sourced from African deposits. These include Bauxite for lightweight construction, platinum for catalysts in exhaust systems and fuel cells, as well as various materials used in electric vehicles. These are primarily copper, cobalt and lithium. Despite promising efforts to minimise cobalt use in batteries, African countries will remain among the most important suppliers of critical materials in automobile manufacturing. Incentives should however be put in place to foster the local circular economy. Residual materials could then be reintegrated into value chains and primary reserves conserved.

Africa is also a continent of opportunities regarding clean energy. Renewable energy could also contribute to overcoming the electricity shortage many African countries face and which strongly discourages investment. Due to its prime conditions for producing electricity from wind and solar, production costs are low compared to Europe. Renewable electricity can be converted to hydrogen, or in successive process steps to liquid carbohydrates, so-called e-fuels. The latter can be easily transported around the globe and store renewable electricity reliably for the long-term. This is difficult to do with electricity directly.

Shipped to Europe, e-fuels can be transported and distributed in the existing infrastructure and then used like fossil fuels: in industrial, heating, and transport applications. Existing car and truck fleets can be fuelled with climate-neutral energy and hence contribute to reaching the ambitious European climate targets.

Only hydrogen and especially e-fuels offer the chance to utilise African sun and wind potentials in Europe and make its energy supply broader and more resilient. At the same time, our African partners can build new, sustainable industries, become energy exporters and also ensure climate-neutral mobility locally. This also serves development goals as value and jobs are also created in our partner countries. A skilled local workforce, as well as the implementation of and compliance with environmental, energy, and social standards, facilitates additional international investments.

First projects are already ongoing. The German Federal Ministry for Economic Cooperation and Development (BMZ) supports the construction of a pilot plant to produce e-fuels with an electrolysis power of 100MW. It will demonstrate the whole value chain and be a reference for further projects. For this purpose, the Business Alliance on Energy was launched, consisting of businesses and associations from the various stages of the Power-to-X value chain. However, in addition to direct funding and favourable financing conditions, programs and regulations are needed that can support the demand for hydrogen and e-fuels.

The VDA supports the development of sustainable alternative fuels and energy solutions.

6. Digital Africa

Digitisation is entering almost all areas of daily life. In cooperation with other countries, digital technologies offer the opportunity to unfold and develop completely new potentials. The automotive industry in particular uses digital offerings to make applications and processes more efficient.

In this respect, Africa is already showing its potential when it comes to digital solutions: for example, in the use of cell phones, which are often replacing other methods of payment, even at petrol stations. Digital solutions can also be used to support SME manufacturers remotely with Virtual Reality problem solving, training and manufacturing instructions. On the other hand, those who want to travel in Africa frequently share cabs, as public transport is often still underdeveloped. However, the need for individual mobility is increasing daily, particularly in Africa's metropolitan areas. Due to its young and growing population, the African continent is ideally suited to implement and further develop digital mobility concepts. Here, sustainable offers such as ride sharing can be used to create models that meet the need of many users. In urban cities, people use already established providers to travel at low cost and in a sustainable manner.

Numerous start-ups in the field of e-mobility are emerging across the continent to meet the growing demand. With the help of modern information and communication technologies (ICT), mobility in Africa can be made more efficient, faster and cheaper. Considering Africa's immense resources for renewable energies, individual mobility concepts can also be linked to them directly on site. There are already successful pilot projects for i.e., car sharing and electric mobility in Rwanda and South Africa.

The automotive industry should also establish itself in Africa as a carrier and provider of sustainable mobility solutions. Africa is not only becoming an increasingly important sales and export market for new cars, but also an important market for sustainable mobility solutions.

The VDA also aims to strengthen mobility within Africa by making ride sharing and further digital mobility services broadly available.

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Free Trade Agreement between the EU and the AU

Country	Status of agreem.	Aktuell	Ziel
Algeria	agreement in place	In force since 2005	https://www.consilium.europa.eu/en/documents-publications/treaties-agreements/agreement/?id=2002036
Botswana (SADC)	agreement in place	Provisionally applied since 2016	Economic Partnership Agreement
Cameroon (Central Africa)	agreement in place	Provisionally applied since 2014	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008059
Côte d'Ivoire (West Africa)	agreement in place	Provisionally applied since 2016	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Egypt	agreement in place	In force since 2004	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2001033
Eswatini (SADC)	agreement in place	Provisionally applied since 2016	Economic Partnership Agreement
Ghana (West Africa)	agreement in place	Provisionally applied since 2016	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Lesotho (SADC)	agreement in place	Provisionally applied since 2016	Economic Partnership Agreement
Madagascar (ESA)	agreement in place	Provisionally applied since 2012, negotiations on modernisation began in 2019	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2009014
Mauritius (ESA)	agreement in place	Provisionally applied since 2012, negotiations on modernisation began in 2019	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2009014
Morocco	agreement in place	In force since 2000, negotiations on modernisation began in 2013, on hold since 2014	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=1996003
Mozambique (SADC)	agreement in place	Provisionally applied since 2016	Economic Partnership Agreement
Namibia (SADC)	agreement in place	Provisionally applied since 2016	Economic Partnership Agreement
South Africa	agreement in place	Provisionally applied since 2016	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2016020
Tunisia	agreement in place	In force since 1998, negotiations on modernisation began in 2015, on hold since 2019	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=1995041
Zimbabwe (ESA)	agreement in place	Provisionally applied since 2012, negotiations on modernisation began in 2019	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2009014
Benin (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Burkina Faso (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Burundi (EAC)	Agreement being adopted or ratified	Has not signed or ratified agreement	Economic Partnership Agreement
Cabo Verde (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Gambia (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Guinea (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064

Country	Status of agreem.	Aktuell	Ziel
Guinea-Bisseau (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Kenya (EAC)	Agreement being adopted or ratified	Signed and ratified, provisional application when all EAC countries sign and ratify	Economic Partnership Agreement
Liberia (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Mali (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Mauritania (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Niger (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Nigeria (West Africa)	Agreement being adopted or ratified	Has not signed or ratified agreement	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Rwanda (EAC)	Agreement being adopted or ratified	Signed, provisional application when all EAC countries sign and ratify	Economic Partnership Agreement
Senegal (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Sierra Leone (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Tanzania (EAC)	Agreement being adopted or ratified	Has not signed or ratified agreement	Economic Partnership Agreement
Togo (West Africa)	Agreement being adopted or ratified	Signed, awaiting signature from all parties	http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2008064
Uganda (EAC)	Agreement being adopted or ratified	Has not signed or ratified agreement	Economic Partnership Agreement
Central African Republic (Cntrl. Africa)	Agreement on hold	Negotiations started in 2003, paused until further notice in 2011	Economic Partnership Agreement
Chad (Central Africa)	Agreement on hold	Negotiations started in 2003, paused until further notice in 2011	Economic Partnership Agreement
Congo (Central Africa)	Agreement on hold	Negotiations started in 2003, paused until further notice in 2011	Economic Partnership Agreement
Equatorial Guinea (Central Africa)	Agreement on hold	Negotiations started in 2003, paused until further notice in 2011	Economic Partnership Agreement
Ethiopia (ESA)	Agreement on hold	Negotiations started in 2004, paused until further notice in 2011	Economic Partnership Agreement
Gabon (Central Africa)	Agreement on hold	Negotiations started in 2003, paused until further notice in 2011	Economic Partnership Agreement
Rep. Democratic of Congo (Cntrl. Africa)	Agreement on hold	Negotiations started in 2003, paused until further notice in 2011	Economic Partnership Agreement
São Tomé & Príncipe	Agreement on hold	Negotiations started in 2003, paused until further notice in 2011	Economic Partnership Agreement
Somalia (ESA)	Agreement on hold	Negotiations started in 2004, paused until further notice in 2011	Economic Partnership Agreement
Sudan (ESA)	Agreement on hold	Negotiations started in 2004, paused until further notice in 2011	Economic Partnership Agreement

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