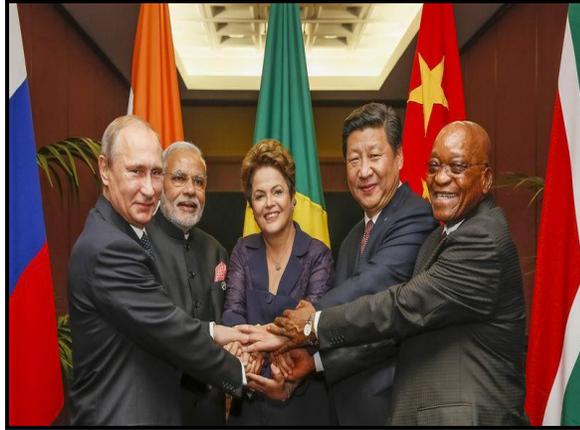


Obama’s visit highlights Africa’s geopolitical conundrums, as Nigeria turns West and South Africa looks East ...



“Peace is [often] merely the interval between wars” – Gen. Erich Ludendorff (1935)

Despite the temporary truce in global geopolitics which helped produce the unanimous Iran nuclear agreement, the permanent structural centrifugal forces pulling the G-7/EU/NATO countries and rival BRICS nations apart, continues to widen. Africa’s 54 economically and militarily weak dependent states are fast emerging as the ‘final frontiers’ for global geopolitical bloc rivalries. It is against this renewed geopolitical competition between the ‘East’ and the ‘West,’ that US President Barack Obama lands in Nairobi today at the start of a seminal two-nation African visit to Kenya and Ethiopia. While the visit to Kenya will be masked by emotional nostalgia due to Obama’s partial Kenyan parentage, in Ethiopia, Obama’s address to the 54-nation African Union states, (from the podium of a new Chinese funded swanky AU headquarters buildings), will powerfully highlight the continent’s stark geopolitical choices.

Africa has since 1963 sought to articulate an independent/non-aligned geopolitical path, however the continent’s technological failures have consigned it to a near perpetual subservient economic, neo-colonial and intellectual dependence on Europe, the US, and now China. Refusing to become a master of its own fate, Africa’s destiny continues to be dictated by geopolitical forces beyond its borders. During WW I and WW II over 2 million Africans fought and died in geopolitical wars unconnected to Africa. During the Cold War, Africa’s entire post-colonial economic transformation and democratic political growth ground to a swift halt as both the USA and USSR, and their geopolitical allies, funded destructive civil wars in Angola, Mozambique and Congo, and maintained despots such as Iddi Amin, Mengistu and Mobutu in power to fulfil larger global, geopolitical aims regardless of the deeply negative effects those policies had on Africa. In light of this blood soaked history, the deepening geopolitical tensions between the G-7/NATO countries and the BRICS nations poses a medium-term risk to Africa, and foreign investors in Africa, as inevitably the region will once again become a crucible for larger global geopolitical rivalries.

However rather than seek to unite the continent’s 54 nations around a harmonized foreign, security, trade, economic and geopolitical vision, Africa’s largest economies, Nigeria and South Africa, (both powerful regional hegemony), are pursuing divergent independent geopolitical aims, having pitched their foreign policy tents with rival competitive geopolitical groups. The independent geopolitical policies of Nigeria and South Africa will eventually enmesh both states within the larger emerging geopolitical bloc rivalries and ensure that Africa becomes a final frontier battleground for global geopolitical conflict.

Nigeria, Africa’s newly minted economic behemoth, despite a weakening economic dependence on the West, has firmly re-established the country’s historic pro-Western geopolitical orientation and anchor.

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ABOUT THE COMPANY

DaMina is a preeminent independent frontier markets risk advisory, research and consulting firm. With a special focus on African capital markets, DaMina provides exclusive, objective, highly-tailored, 360-degree and around-the-clock regulatory and political risk advisory and consulting services to a range of marquee global companies and investment firms. DaMina Advisors is registered in the UK, NY, Canada, Australia and Ghana.

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Nigeria's new president Muhammadu Buhari despite being 113 days late in appointing his cabinet has still found time to personally visit key Western capitals to personally re-commit his beleaguered country back into their paternalistic care and obtain promises of future help in defeating Boko Haram. While Buhari can more easily purchase weapons from China, India or Russia, his pro-western geopolitical orientation constrains him to first seek military help from the US led G-7/NATO bloc despite a virtual western arms embargo on Nigeria

However despite turning West, Nigeria's GDP growth dependence on its Western allies has weakened significantly. In contrast, South Africa, despite pitching its geopolitical camp with the rival BRIC nations still has a domestic economy that is very sensitive to changes in western economic growth trends. Before the year 2000, Africa's economies were all heavily influenced by Western economic growth trends. However, since 2000, China has exerted the greatest influence on GDP growth rates in Africa.

Average Annual GDP Growth %					
	1972-80	1981-90	1991-2000	2001-10	2006-15
World	1.75	1.28	1.30	1.24	1.56
United States	2.12	2.30	2.15	0.62	0.62
Euro 16	2.53	2.12	1.83	0.68	0.82
China	4.38	7.68	9.40	9.32	8.95
Africa	0.77	-0.68	-0.27	2.12	2.02
Nigeria	0.84	-1.23	0.13	3.52	4.01
Kenya	2.69	0.43	1.18	1.01	2.20

Source: ERS International Macroeconomic Data Set

GDP Growth (1972 - 2015E)	Correlation Coefficients	Covariance
US & Euro area	0.94	0.66
US & China	-0.49	-0.89
Euro area & China	-0.75	-1.29
Euro area & Nigeria	-0.84	-1.54
US & Africa	-0.93	-1.03
Euro area & Africa	-0.77	-0.80
China & Africa	0.18	0.49
US & Nigeria	-0.96	-1.867
Euro area & Nigeria	-0.84	-1.54
China & Nigeria	0.34	1.59
China & Kenya	-0.57	-1.09
China & South Africa	0.30	1.09
Nigeria & CI	0.53	1.77
Nigeria & Ghana	0.81	5.92
Nigeria & Senegal	0.06	0.94
Nigeria & Kenya	0.40	0.83
Nigeria & South Africa	0.99	3.81

Source: DaMina Advisors/ ERS GDP Dataset

Since taking office in 2009 President Jacob Zuma has accelerated South Africa's non-Western geopolitical drift. While former Presidents Nelson Mandela and Thabo Mbeki both sought to maintain the semblance of an independent foreign policy and geopolitical orientation, South Africa has over the past five years under Zuma, (himself a Russian trained anti-apartheid freedom fighter), sought to deepen its engagement with the BRIC countries and successfully lobbied for South Africa to be added to, and maintained in the eponymous geopolitical grouping despite losing its number African economic status to Nigeria. In solidarity with the BRICS, Zuma is currently considering awarding a \$100billion nuclear power contract to Rosatom, making the country, (and indeed the entire Southern Africa region), heavily dependent on Russian electric energy. Additionally South Africa has joined with Kenya, Zimbabwe and many other African states in denouncing the International Criminal Court (ICC) and facilitating the escape from Cape Town of Sudan's ICC indicted President Omar Al Bashir. (Conversely Cote d'Ivoire and Francophone Africa largely supports the ICC). While the West moved to impose sanctions on Russia following the annexation of Crimea, South Africa joined the BRICS in opposing any ostracism of Moscow.

Beyond South Africa and Nigeria, the rest of Africa is also quietly being dragged into one geopolitical bloc or another. While Egypt and many North African nations have straddled the geopolitical fence, they are all gradually drifting into autocratic democracies like Russia or Turkey despite their geographic proximity to liberal democratic Europe and close economic/commercial intercourse with the EU. The Francophone West and Central African nations continue to cling to France by stabilizing their domestic currency, the CFA Franc, with a linkage to the Euro. With almost all the other West and Central African states signed up to the European Union Partnership Agreement treaty, and the major East African states of Kenya, Ethiopia, Uganda and Tanzania orienting themselves Eastwards towards the BRICS, Africa will continue to remain a hopelessly divided geopolitically entity incapable of exerting any serious independent global geopolitical influence.

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