

ARTICLE — The 1.2 Billion Opportunity *The Economist* 2016

----- cite page number, left or right column, and paragraph number -----

SELECT THE TOP NLM PILLAR (most at play / most prominent / most impactful / most needed / etc.) free trade

Next, select the 3 strongest examples / evidence of the pillar in action or the need for the pillar in the article.

EXAMPLE / EVIDENCE 1

page # 4, left or right column, paragraph # 4,5.

quote or description of selected example —

"Wealth is now returning, and being invested in property and African business"
"foreign investors are putting their money into Africa" "Heineken opened a new brewery there, its third in the country"

"A big beer company has breweries all over Africa, last year it was bought for \$408 billion by Anheuser-Busch the world's largest brewery"

rationale for selection —

With a bright future laying ahead for Africa's relative political stability over the past two decades has lead to Africa being a hotspot for international companies willing to invest into Africa. With a now steady flow of foreign investment this leading Africa to be able to expand and turn more to the industrialized scene.

With these companies investing money into Africa will only lead to with more and more tariffs being cut and more foreign investors investing in Africa.

EXAMPLE / EVIDENCE 2

page # 7 (left or right column, paragraph # 3).

quote or description of selected example —

~~"And although trade barriers are helpful for those who are protected, they hurt other businesses."~~

~~"certain businesses like the limestone industry grow"~~

"But the main industry that thrives thanks to Nigeria's trade barriers is corruption." ... In trade between African states (Nigeria, Benin and Niger) a businessman says, "The official process is tedious and expensive. You have to deal with customs, immigration, security, and it takes so long" ... Therefore there have to be illegal trade and pay bribes

rationale for selection —

The expensive, tedious and complicated nature of the trade processes lead businesspeople to trade illegally and pay bribes. Free trade and dropping tariffs and regulations would make the legal trade process more attractive and would stop people from taking part in the illegal market. Less money would then be wasted on bribes and more energy could go to expanding economic prosperity in Africa.

EXAMPLE / EVIDENCE 3

page # 8, left or right column, paragraph # 2.

quote or description of selected example —

"Everyone who has a gun, you have to pay"

This is referring to both institutional corruption (police officers need bribes in order to make money) and criminals who will rob people transporting goods.

rationale for selection — (among others)

These factors ↑ make trade throughout Africa extremely expensive. It is not a traditional lack of Free trade, but these factors add costs through trade that other parts of the world do not face. This could also be seen as the government not enforcing Free trade by not funding the police officers who uphold it.

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SELECT THE TOP NLM PILLAR (most at play / most prominent / most impactful / most needed / etc.) Free trade. Next, select the 3 strongest examples / evidence of the pillar in action or the need for the pillar in the article.

EXAMPLE / EVIDENCE 1

page # 8, (left or right column, paragraph # 2).

quote or description of selected example —

The good road comes at a cost, though. The official tolls are fairly modest: 5000 CFA francs, or about \$10, for a long to travel all the way. But that is only the start. "You have to pay everyone, even the national-park rangers, you have to pay," says Sounkalo. "Everyone who has a gun, you have to pay."

rationale for selection —

This quote shows that trading domestically is very expensive because you have to pay everyone you encounter during the transport of goods. Free trade would allow for companies to avoid these obstacles and reduce distribution costs, which would reduce production costs and make price of goods more competitive to the global market. Because local market is corrupt they could find other markets in Africa or outside the continent to do commerce in a more formal market.

EXAMPLE / EVIDENCE 2

page # 8, (left or right column, paragraph # 2).

quote or description of selected example —

This section describes the challenges to trade between African nations. Struggles such as transportation tolls, unsafe conditions and other financial barriers.

rationale for selection — It highlights the need for free trade as the trade barriers seem to be the major cause for their lack of prosperity. The cost of trade between nations outweighs the benefits isolating individual markets.

EXAMPLE / EVIDENCE 3

page # 14 (left or right column, paragraph # 2).

quote or description of selected example —

"Over the next decade, the businesses that succeed in Africa will be those that can capitalise on this without the help of cheap money and expensive oil — those that can build a genuine middle class of consumers."

rationale for selection —

The Rationale is that cheap money and expensive oil lead to debt which holds back export development. If Africa were to have businesses that didn't rely on cheap money and expensive oils, which regulate export development, it would have a chance at building a middle class of consumers.

Fortune favours the brave

Lucas / Micheal / Georgina / Mahala / Sebastian / John / Noah
Nancy

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SELECT THE TOP NLM PILLAR (most at play / most prominent / most impactful / most needed / etc.) Privatization. Next, select the 3 strongest examples / evidence of the pillar in action or the need for the pillar in the article.

EXAMPLE / EVIDENCE 1

page # 13, left or right column, paragraph # 11.

quote or description of selected example —

Too much of Africa's growth over the past two decades has been sustained by commodities and little else. Optimists see this as evidence of a spectacular opportunity to enter the market and make a profit.

rationale for selection —

New opportunities for foreign direct investment / are created in more sophisticated markets, generating growth in the private sector.



PRIVATIZATION

EXAMPLE / EVIDENCE 2

page # _____, left or right column, paragraph # _____.

quote or description of selected example —

~~According~~ According to the UN, merchandise trade within the continent made up just 11% of Africa's total trade between 2007-2011. In Asia, intra-continental trade was 50%; in Europe, 70%.

rationale for selection —

Informal Hostile business environment

- This can be linked to the rooted _____, or the lack of foreign aid and investment ~~which~~ creates an entrepreneurially rich African population.

Corrupt money transactions and illegal money laundering ties with the invisible hand causing unintended self-interested actions with the effect of corruption, making it harder to trade/afford trade in Africa. A lot has to do with the ability to manufacture due to the lack of their infrastructure and at this point they're just looking for money or ways to improve the economy without the necessary resources they need. In a way this is evidence of the government failing to manage the economy, having the black market increase caused by this informal hostile business environment. Other nations lose confidence in African countries or African markets and refrain from allowing the possible investment opportunities causing this privatization and barriers. At the root, the 11% merchandise trade across Africa alters capitalism's foundation to be set and progress.

EXAMPLE / EVIDENCE 3

page # 13, left or right column, paragraph # 2.

quote or description of selected example —

'Counterintuitively, a promising source of innovation could be the banking sector, which has a strong interest in not letting mobile-telecoms operators steal its actual or potential customers'.

rationale for selection — This shows privatization because within Africa, there is a large market for mobile banking. This encourages privatization because the two industries are at higher levels of competition and forced to innovate continuously as a means of self-differentiation. Privatization in Africa provides citizens with opportunity to be entrepreneurs, to create their own revenue and thus to move up the socio-economic ladder. With an increasing middle class it allows consumers to participate in various markets. The mobile banking industry allows for the easy access of perfect information within Africa and internationally, so as to encourage consumerism and investment.