



The Daily Brief

Editor's Note, September 27, 2019

German car giant Volkswagen is [hoping that ride-hailing and car-sharing](#) holds the key to cracking Africa's untapped automotive market. The firm is currently trialing an Uber-like service in Rwanda, following a \$20m investment into a production facility there in 2018.

If successful what regional CEO Thomas Schäfer describes as an "industrial experiment" could be rolled out in places Ghana and Ethiopia in the coming years.

It's an experiment others in the industry will be watching.

Volkswagen is among a number of major carmakers including Nissan, Renault, and Toyota, that are ramping up investments on the continent. From Kenya and Rwanda, to Algeria, Ghana, and Nigeria new plants are being opened.

Luring them is a market with a motorization rate of just [44 vehicles per 1,000 inhabitants](#) compared to a global average of 180. While Africa accounted for just 0.9% of global production in 2015, the sector is expected to grow by 8% annually to 2025.

It's the definition of untapped potential, but there are significant barriers to new car ownership, including low incomes and a market dominated by used cars.

Changing this will take patience and the kind of unorthodox approach Volkswagen is adopting in Rwanda. We'll have to wait and see if ride-hailing is the answer - especially with competition from the likes of Uber.

Today's Picks

From The Continent

Egyptian authorities have reportedly detained over 1,900 people as part of a harsh crackdown ahead of planned anti-government protests on Friday. This follows rare demonstrations last weekend, hinting at worsening economic conditions despite a high-profile, IMF-backed reform drive since 2016. **More:** [Bloomberg](#)

Sudan on Thursday closes its borders with Libya and the Central African Republic, citing security concerns. This comes amid efforts by the recently appointed transition government to restore stability to the country, following the ousting of longtime president Omar al-Bashir in April. **More:** [Africanews](#)

THE DAILY STAT

40%

The share of annual tourist visits to Gambia, where the sector accounts for around 30% of GDP, from collapsed UK travel operator Thomas Cook Group. More: [Reuters](#)

The Global Perspective

A UK judge on Thursday granted Nigeria the right to appeal an August arbitration award to a British Virgin Islands-based firm allowing it to seize \$9.6bn in assets from the country, amounting to about 20% of its foreign currency reserves. The dispute with Process & Industrial Developments (P&ID) is over an abandoned gas project. More: [Reuters](#)

The U.S., Australia, Botswana and Peru have launched a new partnership, The Energy Resources Governance Initiative, aimed at promoting responsible mining of rare earths and other minerals used in things like solar panels, wind turbines and car batteries. This is in anticipation of a rush to exploit such resources amid booming demand for renewable energy. More: [Bloomberg](#)

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