

AFRICAN START-UPS AND GERMAN SMES: IT'S A MATCH?' 14th September 2022



(all panelists of the conference)

On the 14th of September 2022 GCAF had the honour to host an event **'AFRICAN START-UPS AND GERMAN SMES: IT'S A MATCH?'** in collaboration with Friedrich Naumann Foundation, enpact, Berliner Partner für Wirtschaft und Technologie GmbH and New Mittelstand GmbH.

With 80 guests in attendance amongst whom were ambassadors from Ethiopia, Djibouti, Ivory Coast, Angola, dignitaries, firms and institutions, the event proved to be a much-needed gathering for parties interested in African-German economic relations. Our diverse and experienced panellists carefully dissected and discussed what the future might hold for African start-ups and German SMEs working together in synergy.

The panel discussion

The panels discussed how modern and sustainable the SME model is, if start-ups are the alternative for innovation and economy driver, how SMEs could integrate start-up ideas or vice versa and what we can learn from Africa and Germany - all trying to answer the overlying question of 'IS IT A MATCH?'

The topic of Mittelstand were debated by Mr STAN ZEZE-BAYARD, CEO & Chairman Bloomfield Investment Corporation and Mr. Carl-Julius Cronenberg MdB, Spokesman of the FDP Parliamentary Group for Small and Medium-Sized Businesses and Free Trade, the former representing the African side and the latter representing the German way. This topic was tied in by one of the founder members of New Mittelstand GmbH Frau Valentine Pleser, explaining what Mittelstand is, how it was developed, and how it will stand to the ever-changing standard of sustainability. It was also noted that Germans trying to change the outlook for their economy from old family business to new innovative startups that are contributing to the dynamic growth of the economy.

On this note, the reliability of startups as the economic driver were discussed by Sannssi Cissé, Founder & Managing Director of V-Tay and former Head of Operations for GreenTec Capital Africa Foundation, Markus Facklam, Coordinator International, Berlin Partner for Business and Technology GmbH and Stanislas Zézé, CEO Bloomfield Investment Corporation. The efforts to attract more start-ups to Berlin were mentioned by Markus Facklam, as well as starting an active exchange of knowledge and workers to and from Africa to make Germany the hub for start-ups from Africa.

While the next panel was testimonial from two African start-up and a German company aqua&waste that works with consulting African start-ups in sustainable water and waste management. The issue of governance when it comes to the disparities in launching a start-up in Africa vs in Germany was also a topic. The African start-ups represented their view from their countries Tanzania and Nigeria. Mariatheresa Samson Kadushi, CEO Mobile Afya (Tanzania- Health Sector) and Jeremiah Shallangwa, CEO Instant Energy (Nigeria- energy sector) represented the African side while Sanchita Khandelwal, Project Engineer represented aqua&waste International GmbH.

The final panel of the day was to learn from each.

And with the conclusion of our panel discussions, the moderator Bienvenue Angui Head of Operations for Greentec Capital Africa Foundation, and CEO MOBIANG GROUP asked if 'AFRICAN START-UPS AND GERMAN SMES: IS IT A MATCH?' and got a resounding yes.



Lessons learn from this panel:

- German companies should work with African start-ups that can support them in their innovations by developing specific solutions
- Africa is a hotbed of innovation and German investors should be more interested in it: it has youth, a great creative force, human capital, very large opportunities and a high return on investment.
- Africa is a continent of 54 countries: with the African Continental Free Trade Area being the largest in the world, it will allow any investor to conquer much larger markets. This missing step is now underway.
- The German model is well known in Africa but cannot be duplicated because there is no entrepreneurial tradition in Africa as such. This is partly due to the youthfulness of the African continent's entrepreneurship, which can be seen starting up since independence in the 1960s, whereas it is not uncommon to see a company in Germany with a tradition that is more than 200 years old. However, the African continent, taking into account its local realities, is ready to learn from the main lines that make the German model an international success.
- The German Mittelstand model can be reinvented without necessarily changing everything in its structure: the problems linked to bureaucracy but also to digitalisation are two important areas of work.

- There is a movement that tries to combine the best of the Mittelstand and the start-up scene in Germany, New Mittelstand GmbH. This initiative shows that the traditional SME sector can be modernised and that the two worlds are not opposed but benefit from each other.
- The company aqua&waste has also experienced this by using start-ups, particularly in Africa, for specific projects and confirms the practicality of the model.
- Berlin, which claims to be the city of start-ups in Germany and Europe, is increasingly opening up to African markets by attracting innovative heads to the capital.
- Whether in Germany or in Africa, there are structures such as GreenTec Capital Partners or enpact that bridge the two worlds, give African start-ups venture building and help them penetrate the German market. German companies should in turn be aware of this dynamism.

