

Clusters & transformation strategy

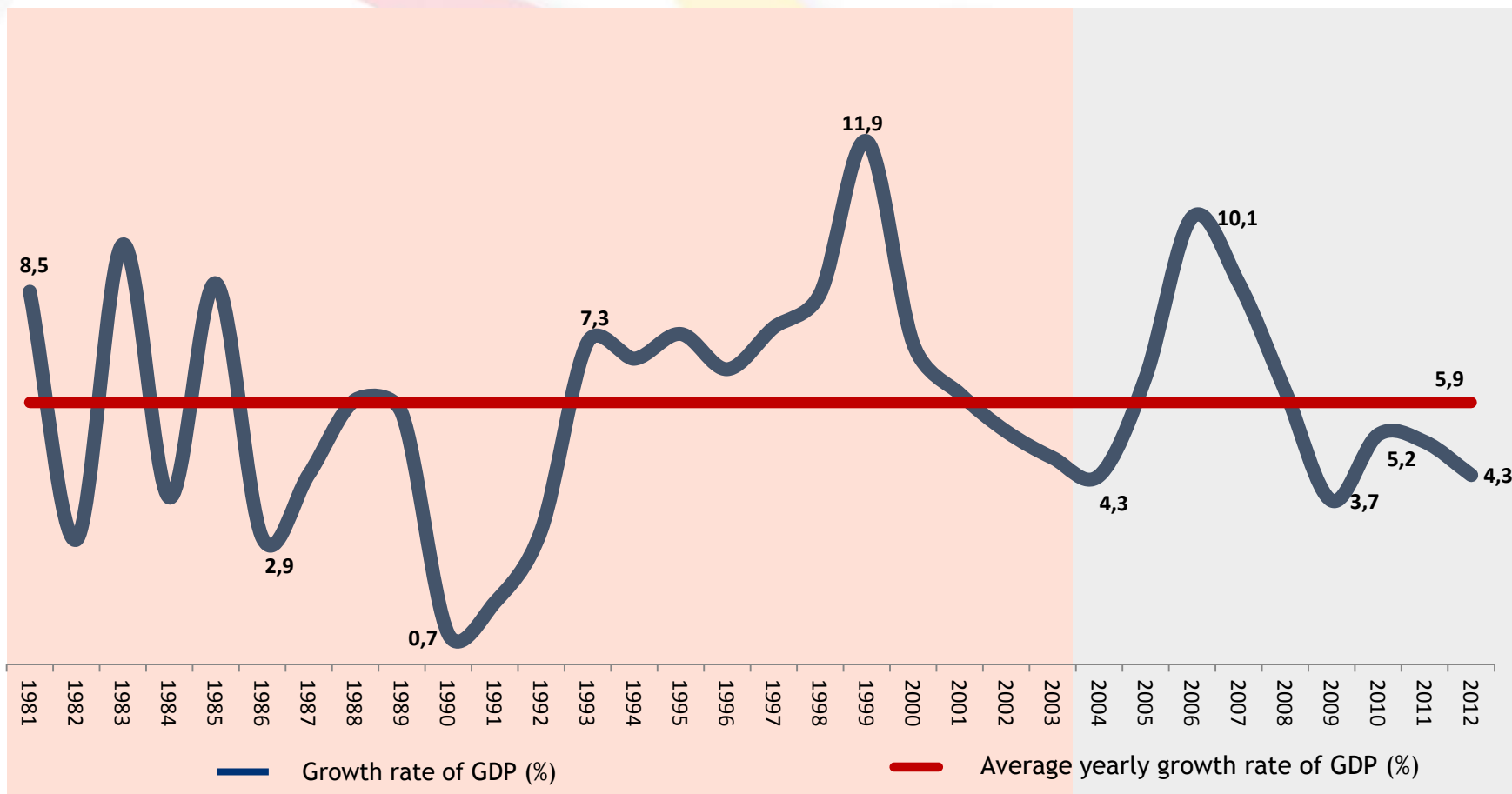
Victor Ndiaye
Performances Group

II Fórum Nacional de Transformação
Praia, May 15, 2014

Cidade da Praia
14 a 16 de Maio de 2014

1980 - 2012: +5 to 6%

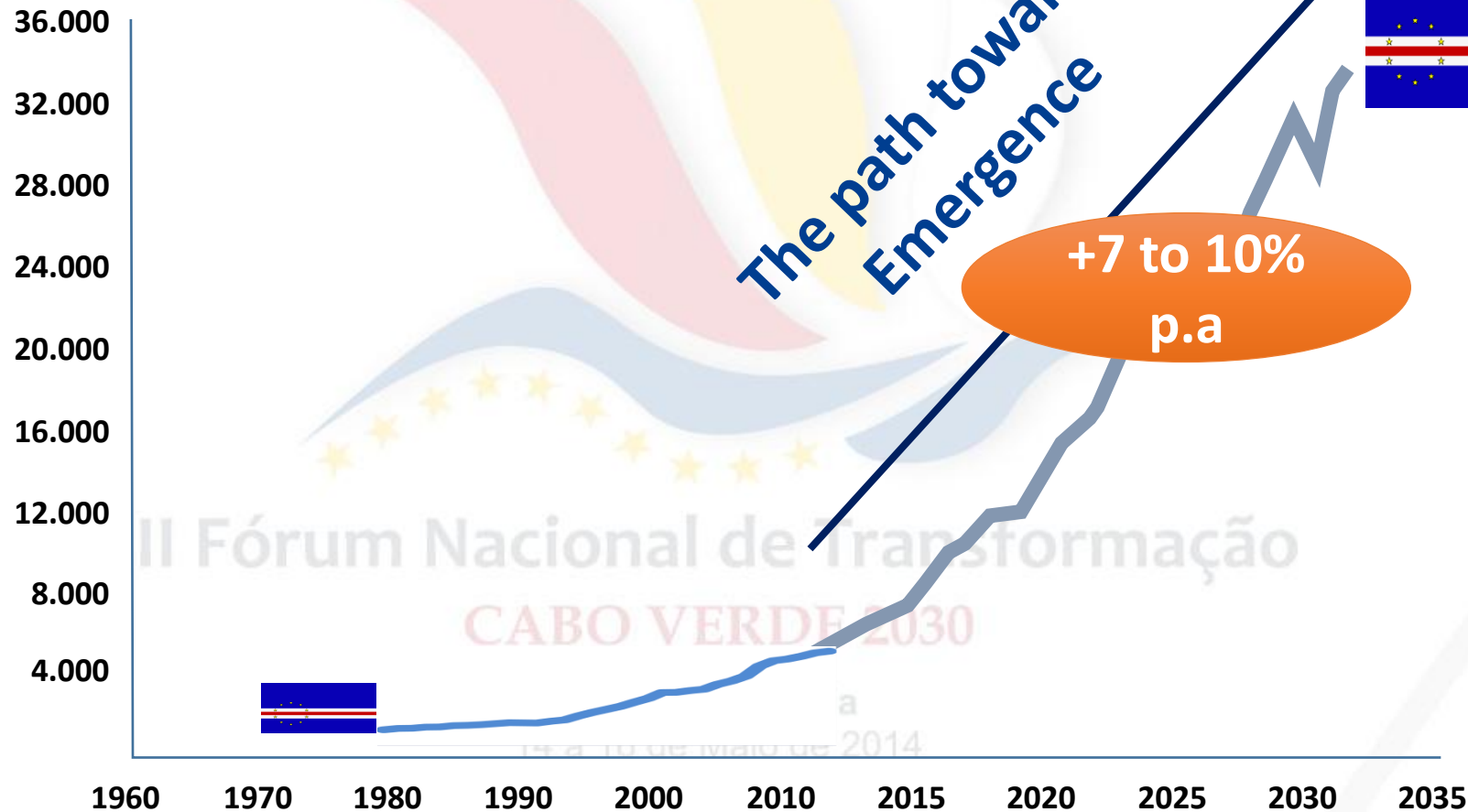
CAPE VERDE - GDP Growth trend 1981 - 2012



Source : Institute of statistics of Cape Verde and World Bank

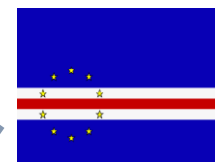
2014 - 2034 ?

GDP per capita
(Constant 2005 US \$)



The path towards
Emergence

+7 to 10%
p.a



The Asian Tiger did it (Singapore)

Singapore in the 50's



- **Historically strategic position** (« Gibraltar of the east »)
- **Weak economy** (500 \$ nominal GDP per capita in 1965)
- **Poor living conditions** one of the worst slums in the world at that point of time

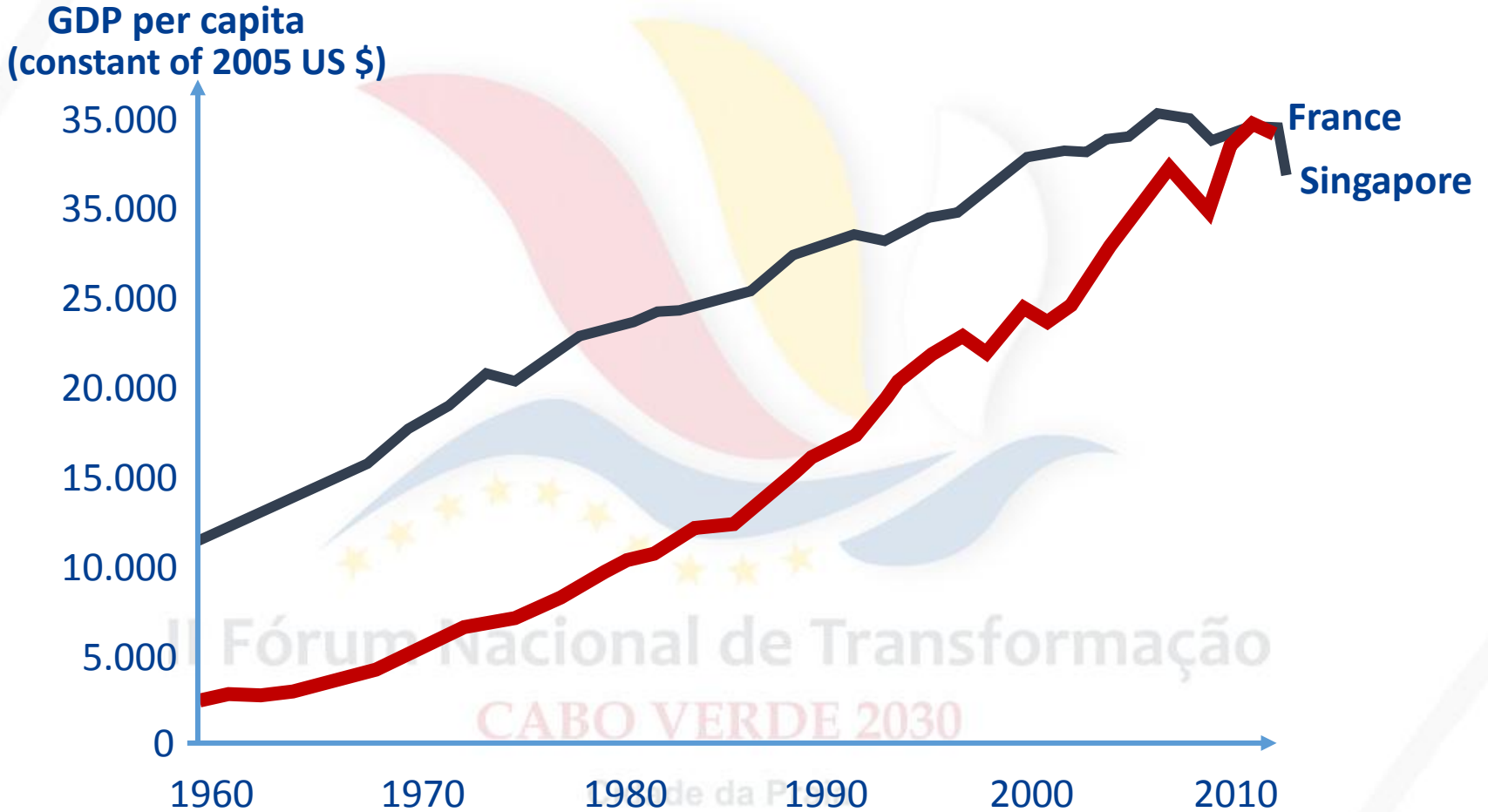
The Asian Tiger did it (Singapore)

Singapore on the year 2010



- One of the most free, innovative and competitive economies in the world (52 000 \$ nominal GDP per capita in 2012)
- One of the **best places to live in.**

The Asian Tiger did it (Singapore)



14 a 16 de Maio de 2014

A NEW AMBITION AND A FUNDAMENTAL CHANGE IN METHOD!

Nations prosper if they develop competitive clusters.

Clusters of the German economy

STEEL

Dortmund, Essen, Düsseldorf

LOCKS

Velbert

CUTLERY

Solingen

CHEMICAL INDUSTRY

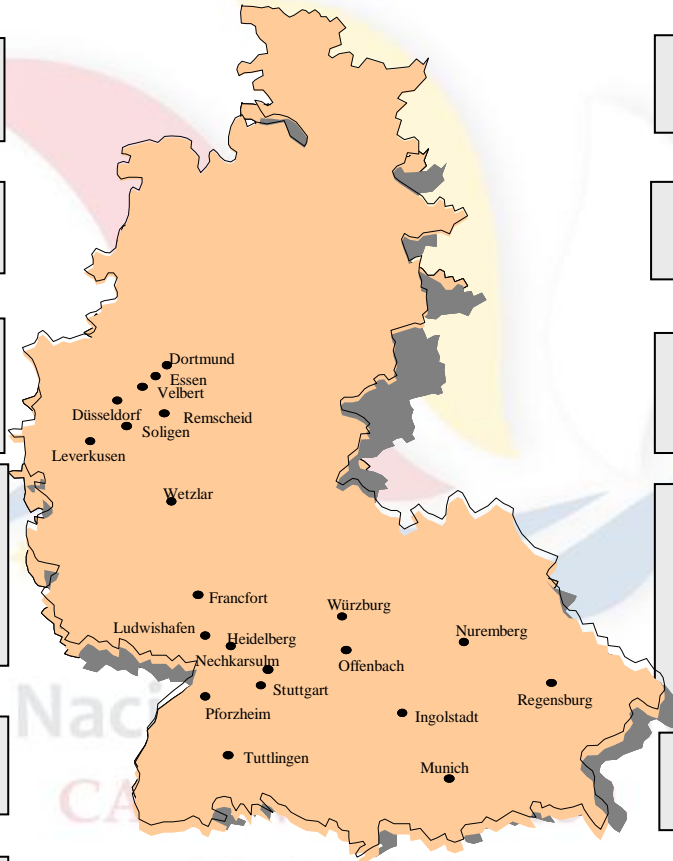
Leverkusen,
Frankfurt,
Ludwigshafen

JEWELRY

Pforzheim

CHIRURGY INSTRUMENTS

Tuttlingen



TOOLS

Remscheid

OPTICAL INDUSTRY

Wetzlar

PRINTING PRESSES

Heidelberg, Würzburg

AUTOMOBILE

Stuttgart, Munich
Ingolstadt,
Neckarsulm,

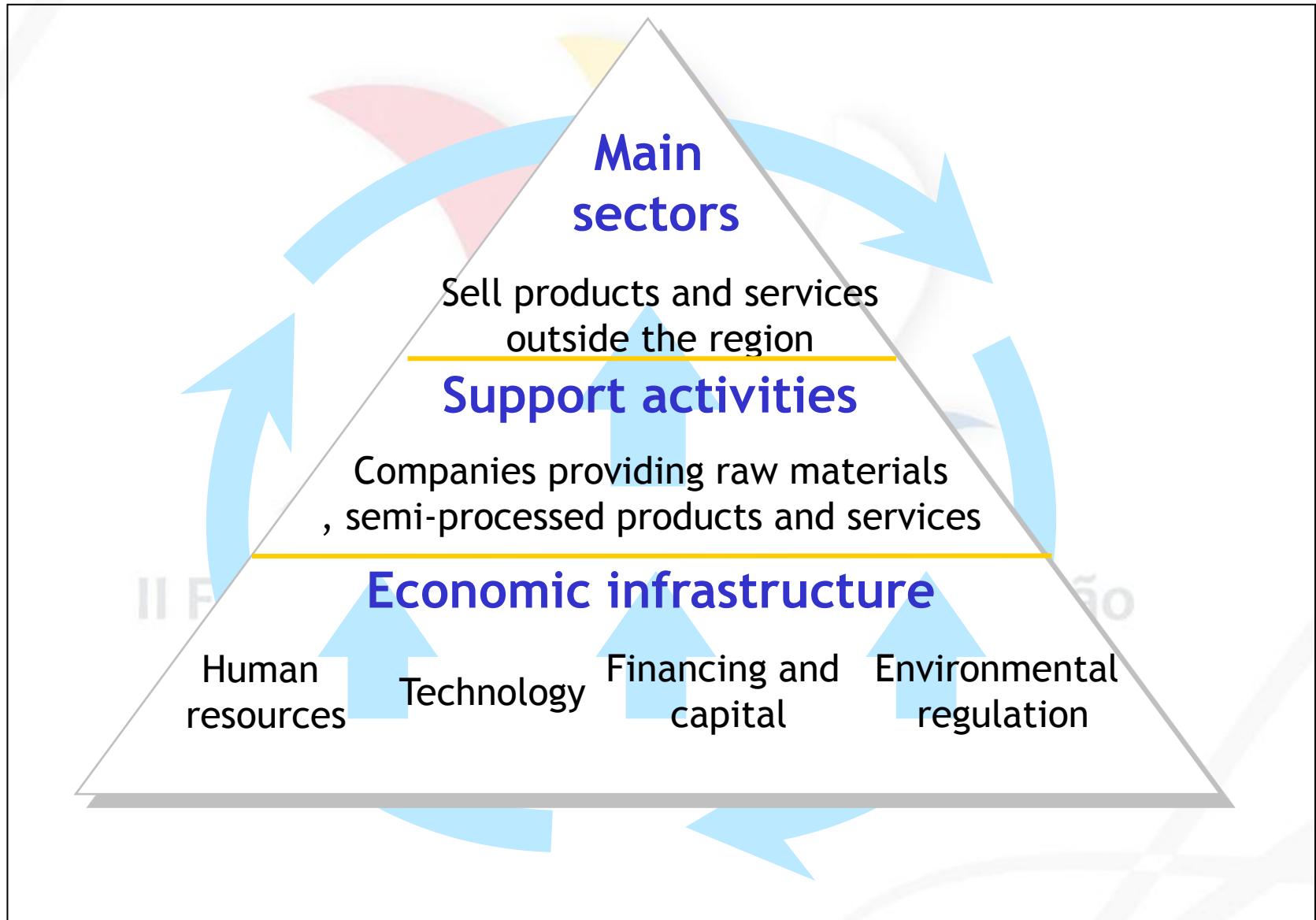
MACHINE TOOLS

Stuttgart

PENS & CRAYONS

Nuremberg

The hidden part of the iceberg!



Seven clusters for the transformation Agenda of Cape Verde

CLUSTERS FOR CAPE VERDE ECONOMIC TRANSFORMATION AGENDA

Priority clusters

Maritime Economy

Tourism

Agribusiness

Creative Economy

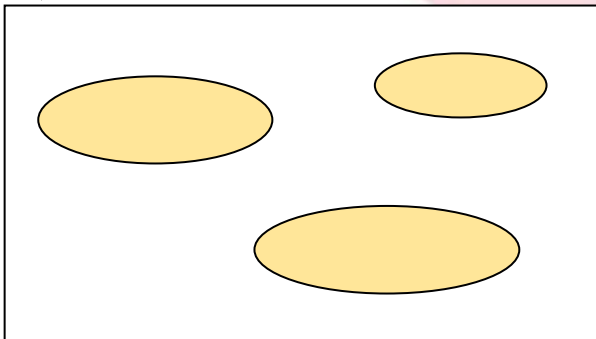
Air Transportation

ICT

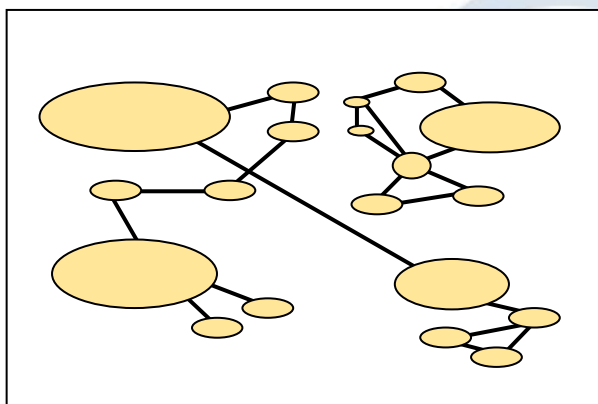
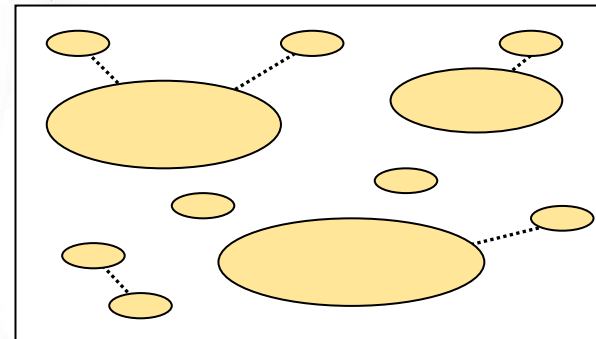
Finance

The 4 phases of cluster development

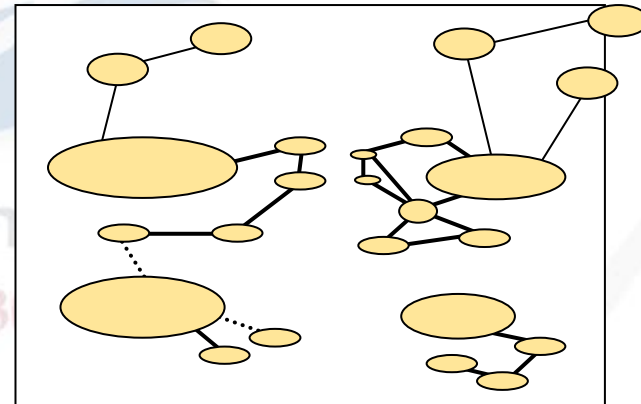
1) Embryonic clusters



2) Forming clusters

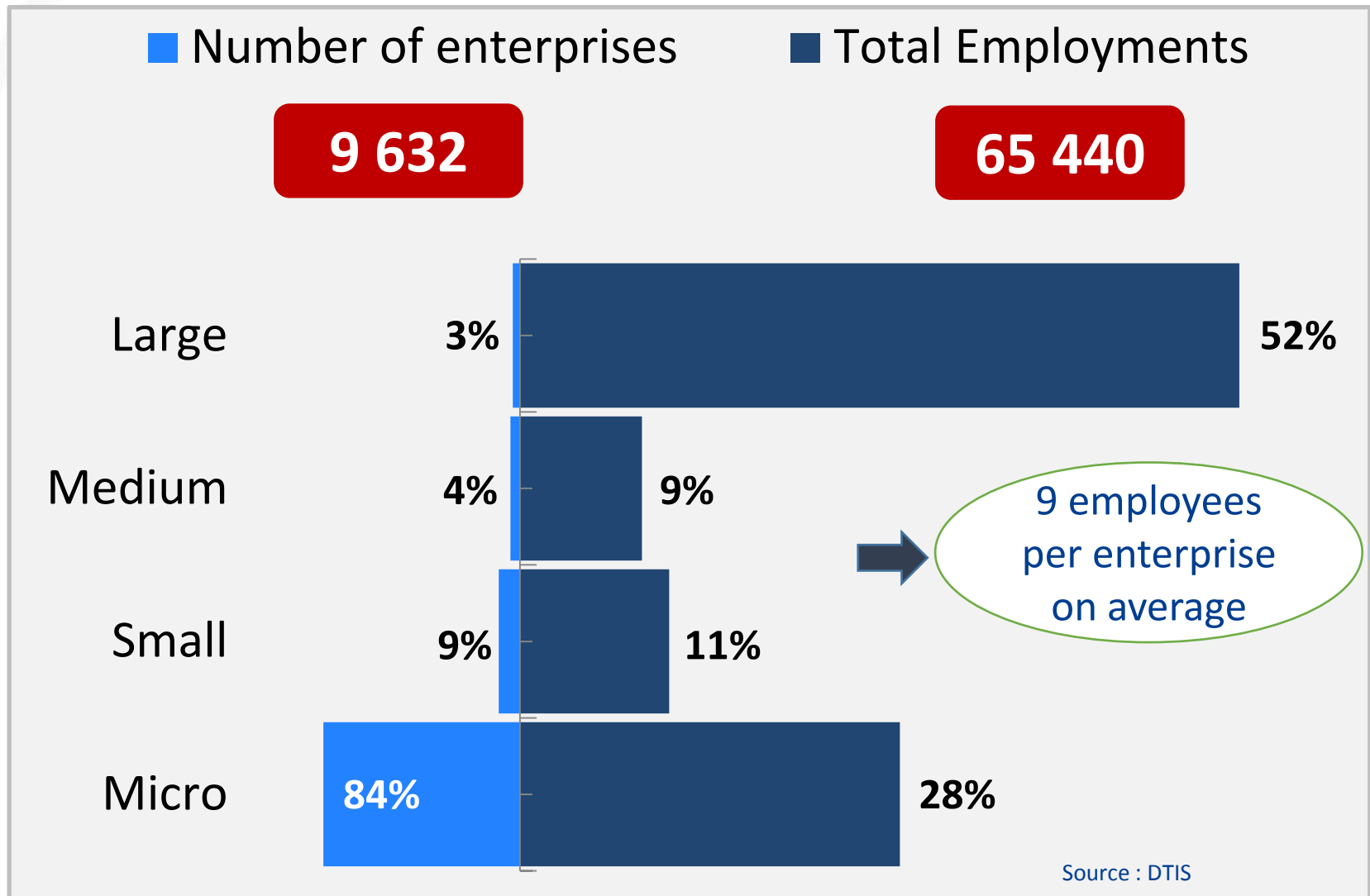


3) Expanding clusters



4) Transforming clusters

Mapping of Cape Verde economy



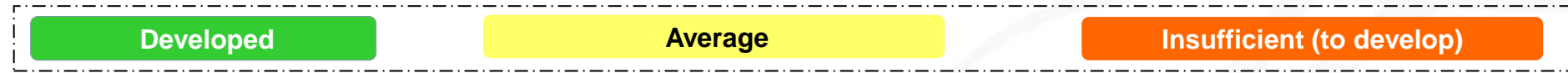
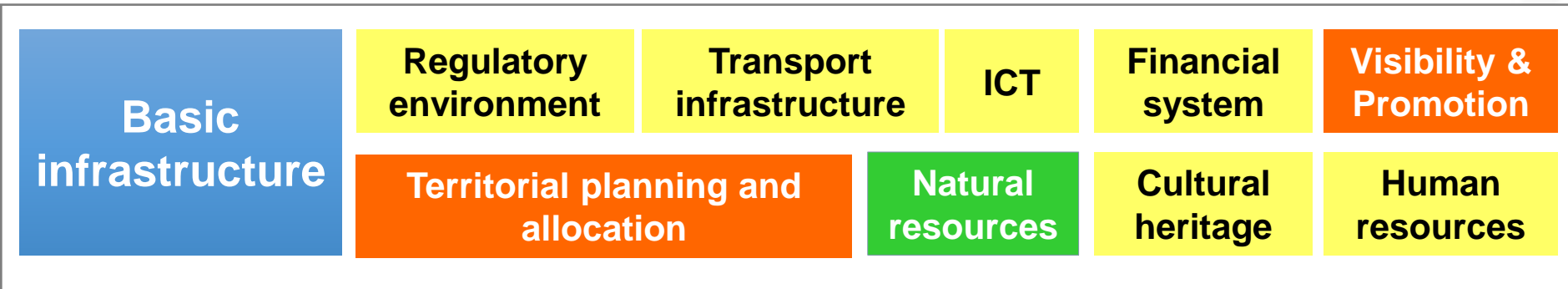
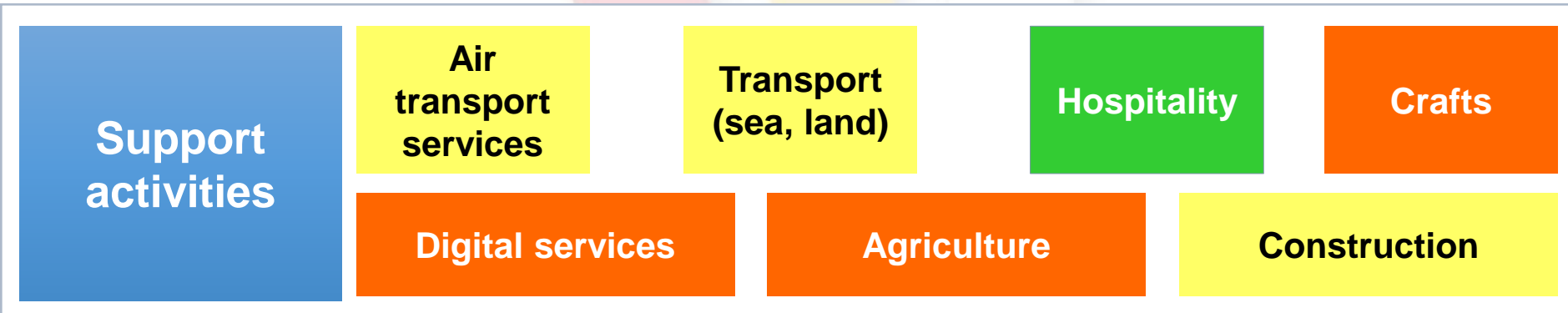
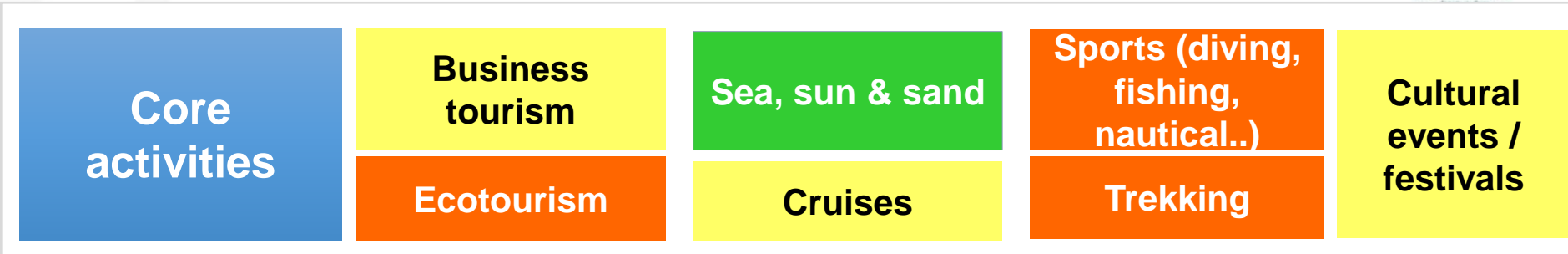
Micro – Up to 5 Employees

Small – Between 5 and 10 Employees

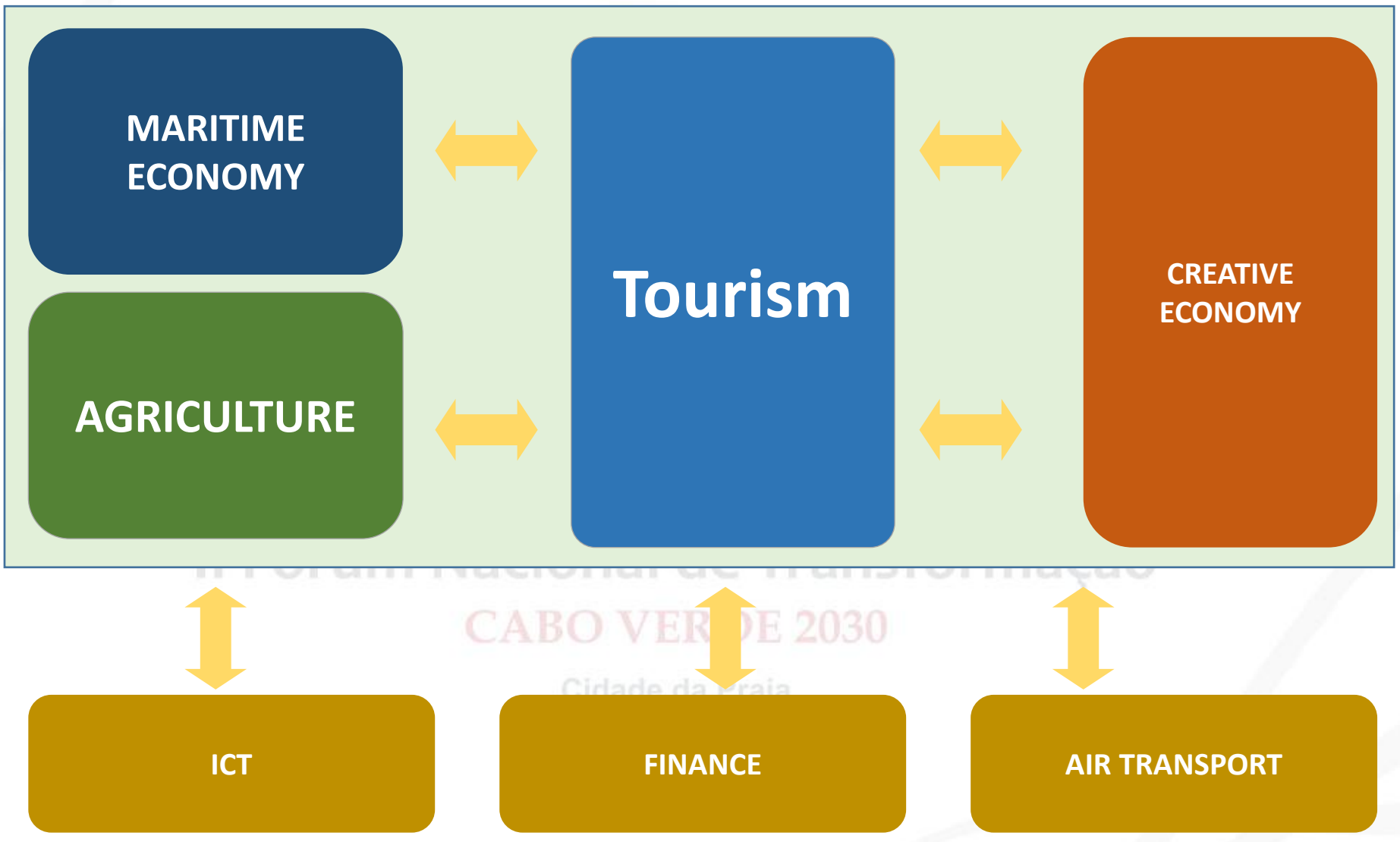
Medium – Between 10 and 50 Employees

Large – More than 50 Employees

Tourism: a forming cluster



Tourism cluster in Cape Verde : a key role for developing new clusters



3 other driving factors for the development of Cape Verde clusters

1) ENERGY and WATER

TOURISM

MARITIME
SERVICES

FISHING

AGRI-
BUSINESS



3 other driving factors for the development of Cape Verde clusters

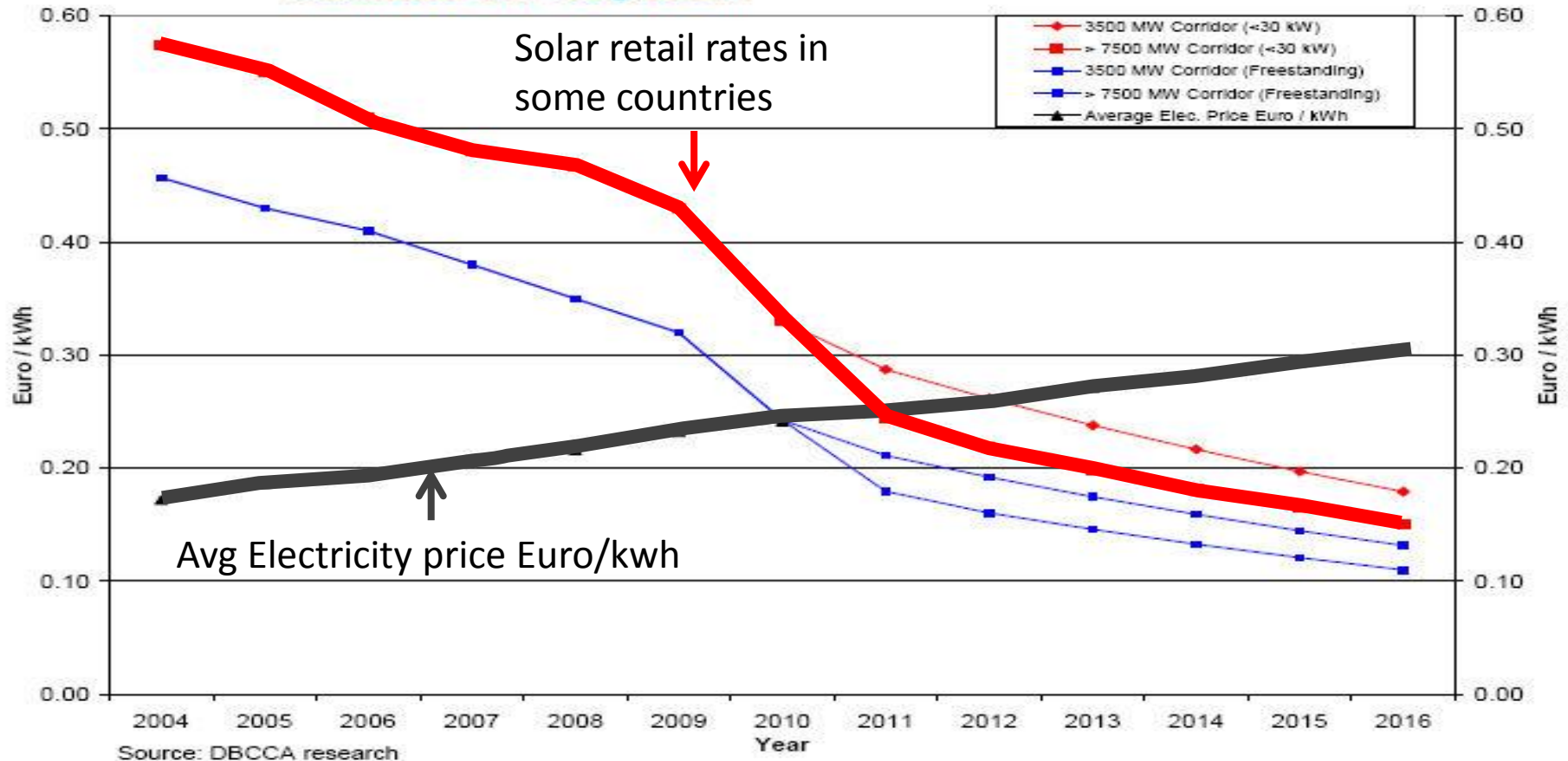
1) ENERGY and WATER



A new era for solar energy

- Grid parity expected around 2030-2035.
- Grid parity already real in western countries (Germany, California, Japan)

Retail rates vs. PV depression



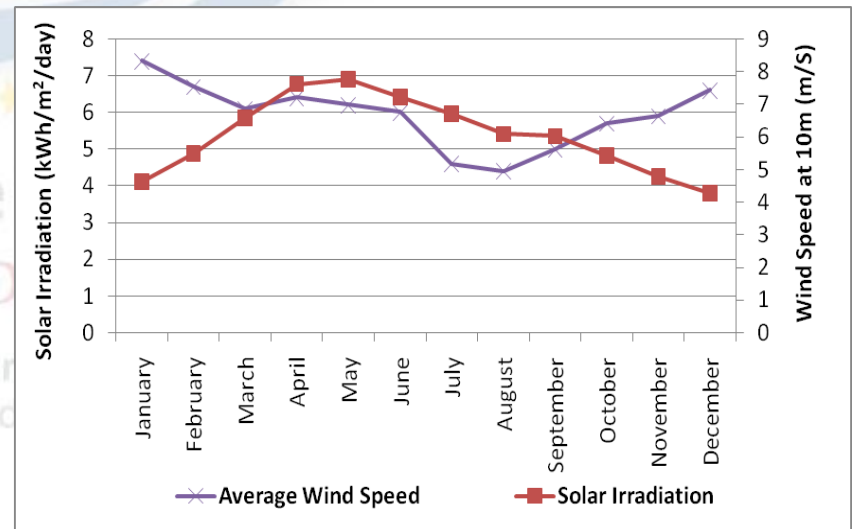
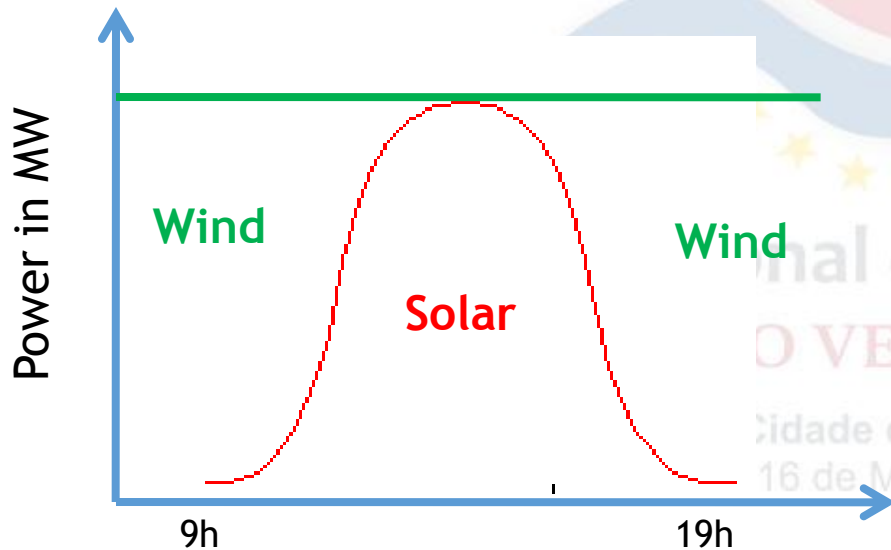
3 other driving factors for the development of Cape Verde clusters

1) ENERGY and WATER

Cape Verde potential:

- Solar irradiation of 4 to 7 kWh/m²/day
- Wind Speed of roughly 4 to 7 m/s
- Ideal climate (temperatures between 22 to 27° C → Solar efficiency range)

Double Complementarity model conceivable

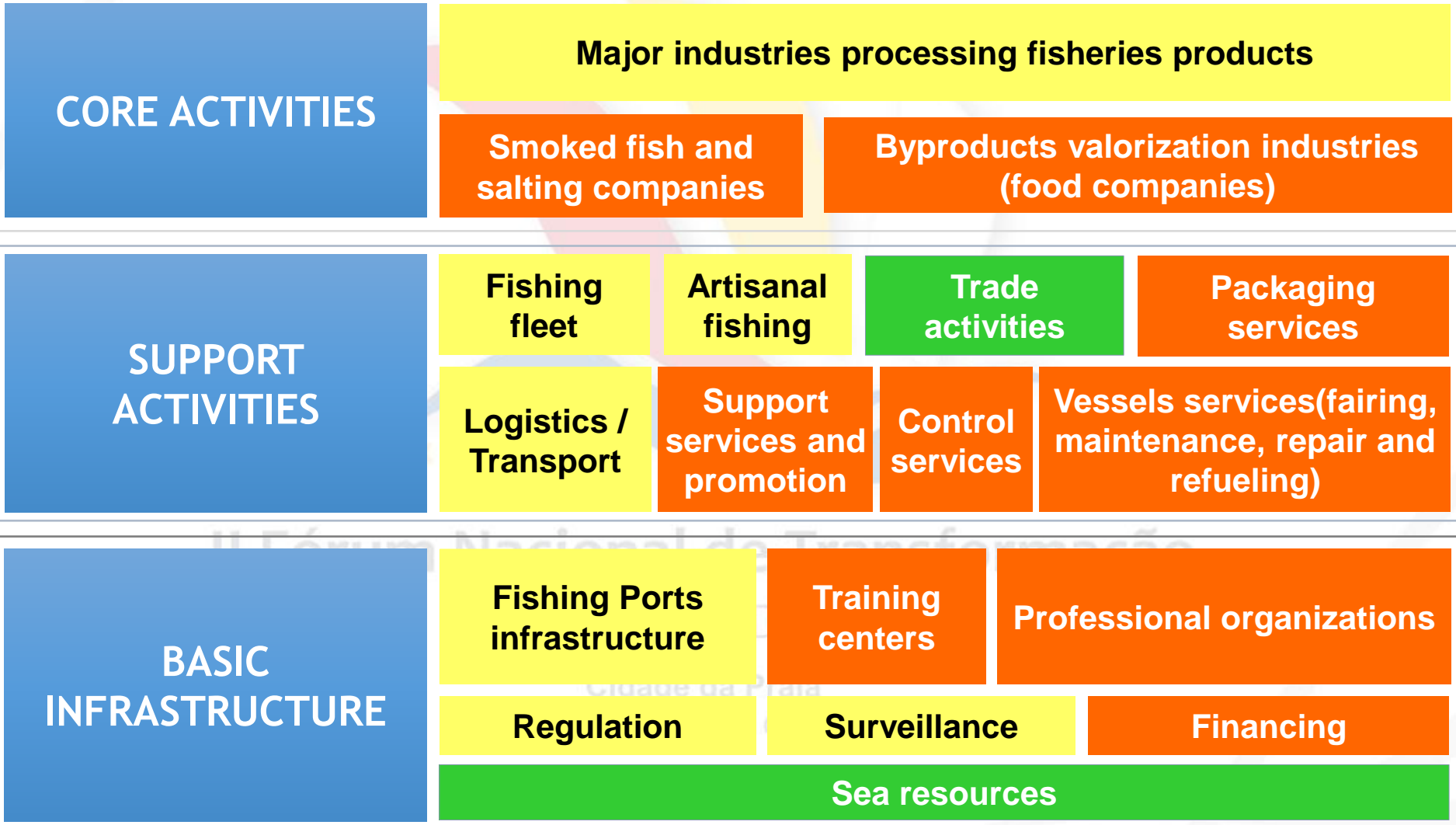


3 other driving factors for the development of Cape Verde clusters



2) CATALYTIC PARTNERSHIPS

Ex: Fisheries cluster of Central African Country



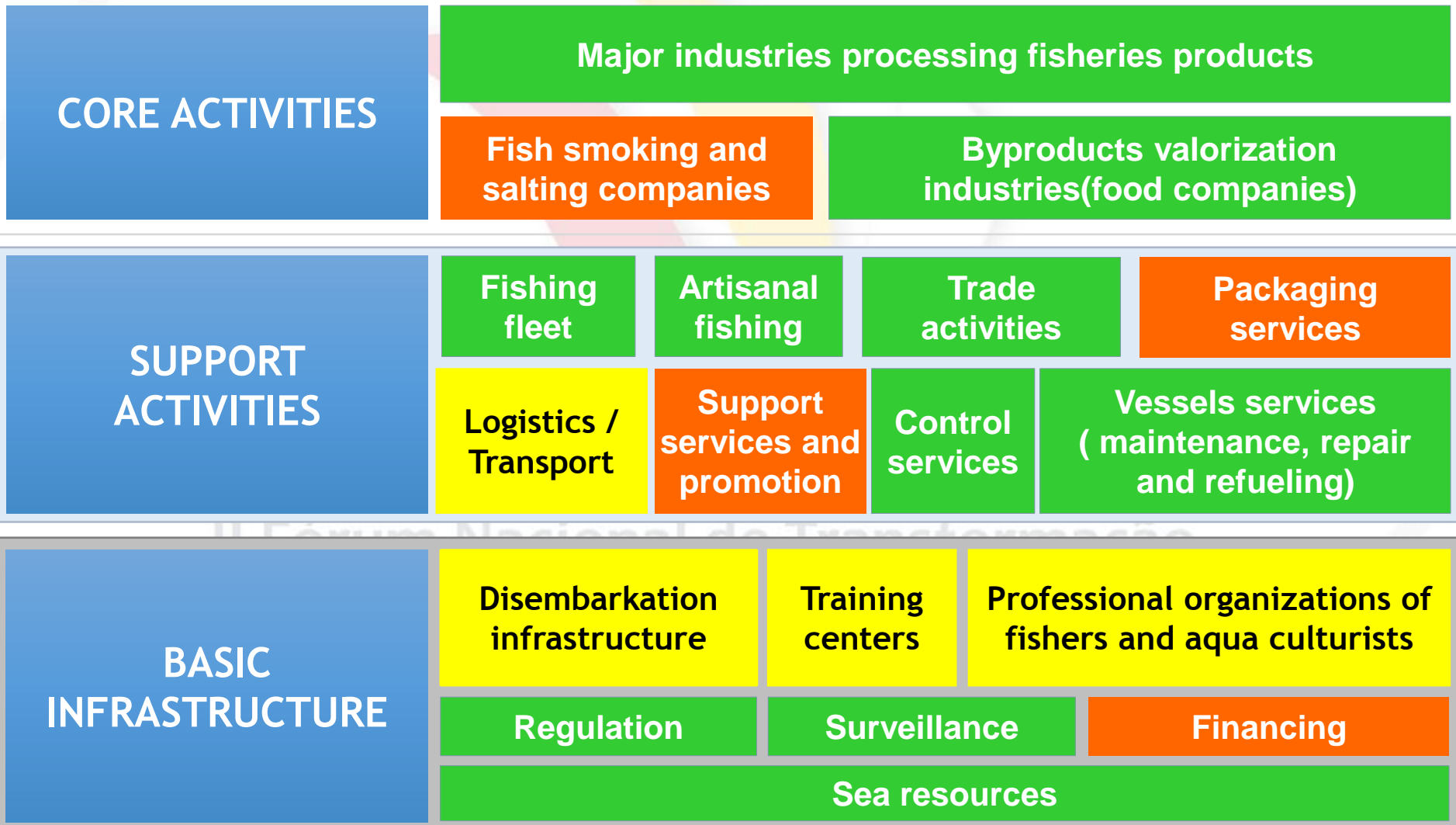
■ Developed / competitive	■ Less developed / less competitive	■ Very low developed or non-existent
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3 other driving factors for the development of Cape Verde clusters



2) CATALYTIC PARTNERSHIPS

Ex: Fisheries cluster of Central African Country

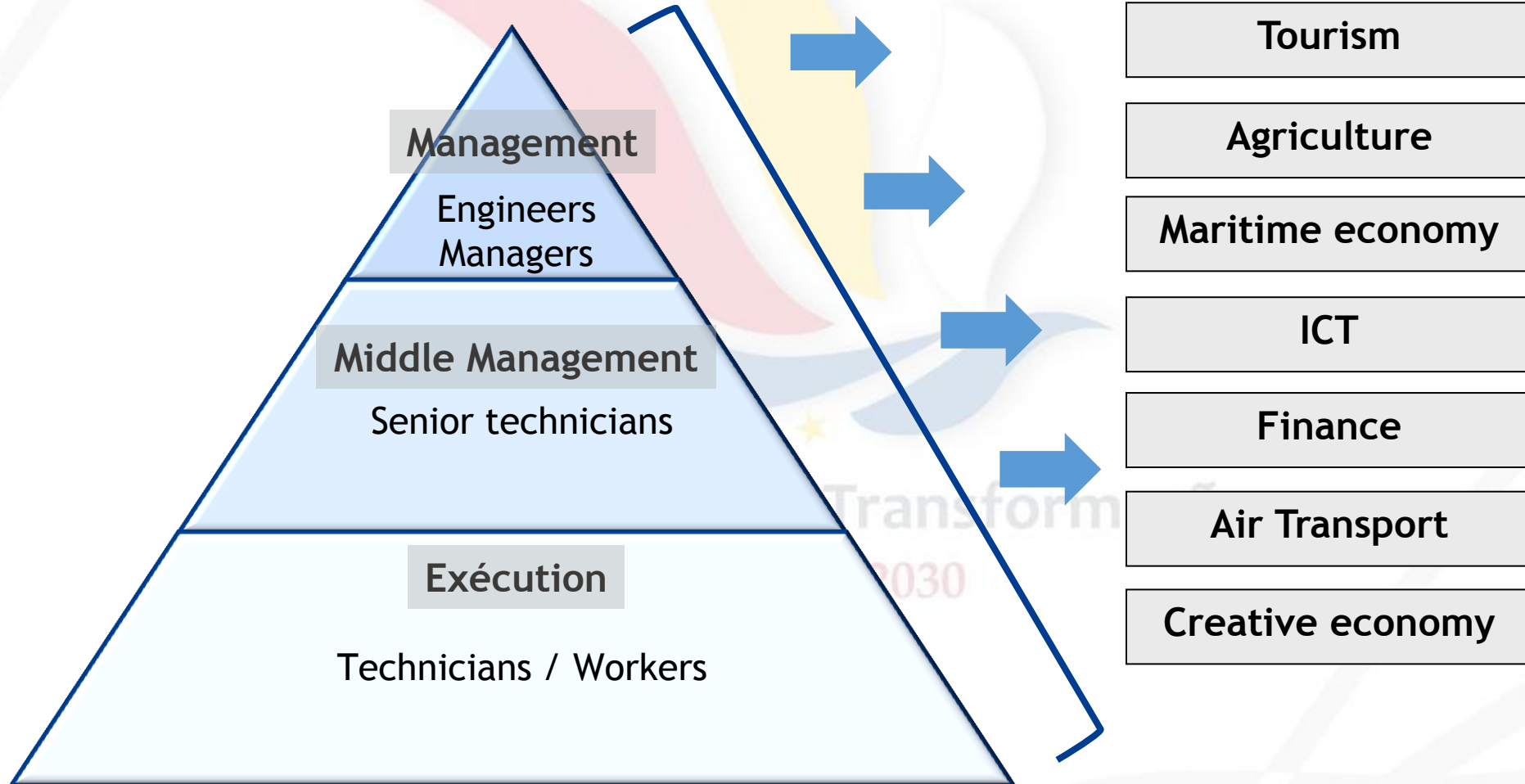


■ Developed / competitive
 ■ Less developed / less competitive
 ■ Very low developed or non-existent

3 other driving factors for the development of Cape Verde clusters

3) PROFESSIONAL TRAINING

Develop the specific skills and qualifications required for the clusters



3 other driving factors for the development of Cape Verde clusters



3) PROFESSIONAL TRAINING

A shared public & private governance in training (Ex: Morocco)

National commission for professional training

Minister in charge of professional training

Department trainers

Professional organizations and chambers

Social partners

Provincial committee for professional training

Governors

Local stakeholders concerned

Development council

Department trainers

Professional organizations and chambers

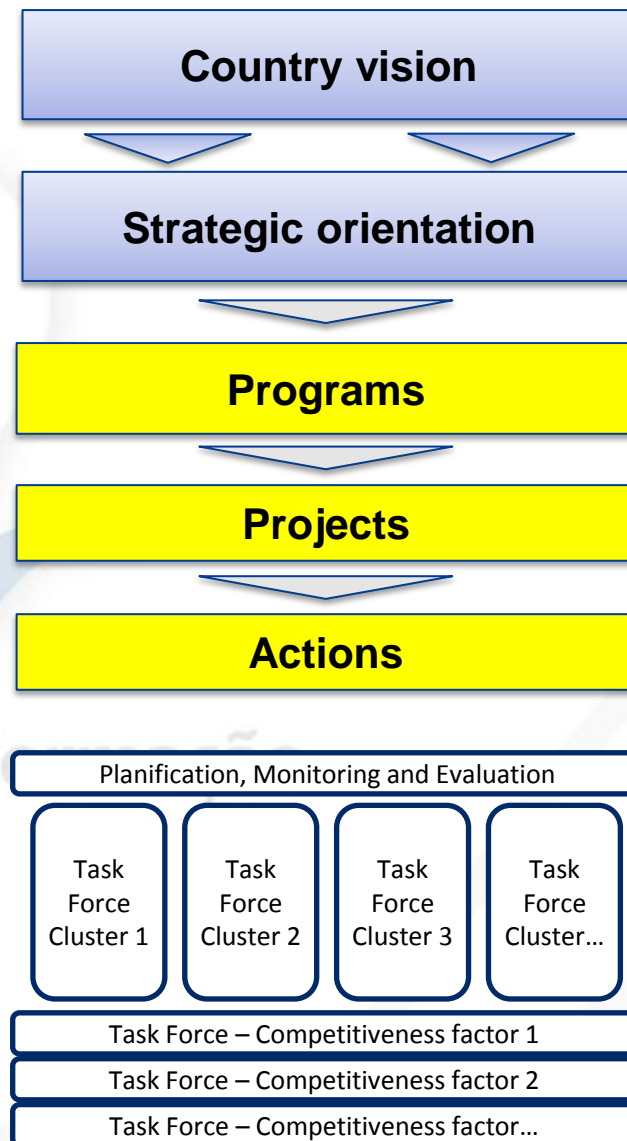
Social partners

A crucial first step: a detailed strategic and operational plan

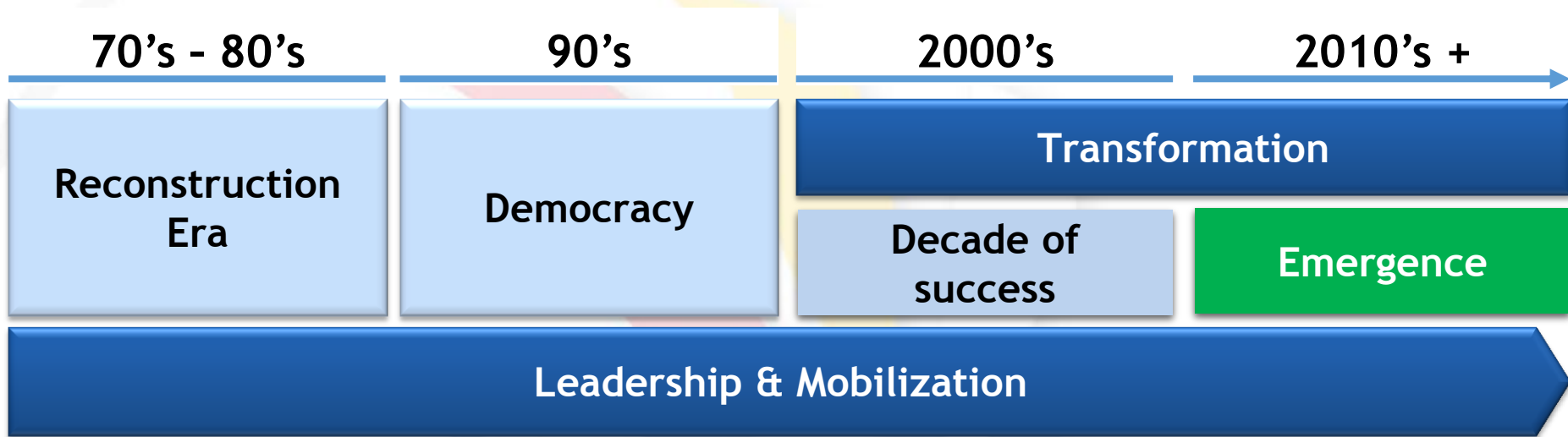
A long term competitiveness strategy

A detailed transformation agenda and a clear roadmap

An efficient implementation, monitoring and evaluation framework



Cape Verde has demonstrated its capacity to implement an ambitious transformation agenda



For illustrative purposes only,
Not exhaustive

II Fórum Nacional de Transformação
CABO VERDE 2030

Cidade da Praia
14 a 16 de Maio de 2014

Sustainable Economic diversification
Graduation to UPPER middle country
Inclusive growth
Competitiveness
Productivity & innovation
Value addition, etc.



OBRIGADO

II Fórum Nacional de Transformação
CABO VERDE 2030

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