

2014 FIDIC – GAMA ANNUAL CONFERENCE

LOCAL INVOLVEMENT IN MAJOR PROJECTS FOR SUSTAINABILITY

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Group of African
Member Associations



International Federation
of Consulting Engineers



Association of Consultants
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Competition and Cooperation between Local and Foreign Companies

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Agenda

- **The Scramble for Africa**
- **Compete or Cooperate?**
- **Why Compete?**
- **Why Should Local Firms Cooperate with Foreign Firms?**
- **Why Should Foreign Firms Cooperate with Local Firms?**
- **Suggestions to Achieve Local Involvement in Major Projects**
- **Successful Cooperation Between Local and Foreign Firms**
- **Which would you choose, cooperation or competition?**

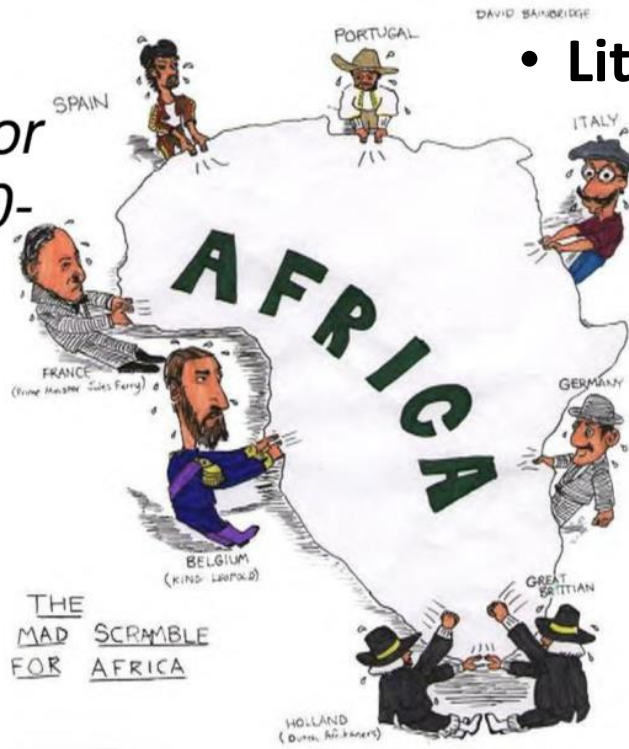


The Scramble for Africa

Past

- Strategic Rivalry Between European Countries
- Little Economic Improvements
- Little Infrastructure Improvements
- Colonialism
- Market for Trade Surplus

The Scramble for Africa 1880-1914



The Scramble for Africa

Present

- **Rivalry between Europe, Asia (China, India, Japan), USA, Brazil, Russia.**
- **Natural Resources – oil, gas, minerals, timber**
- **Requires Major Infrastructure Development**
- **Markets for Products**
- **Capitalism**
- **Food Security**
- **Military Interests**



Compete or Cooperate?

Two Things to Keep in Mind

1. **No Foreign Firm Is Too Large to Self Perform**
2. **No Local Firm Is Too Small to Compete**



Why Compete?

- **Requirements by Donors or Investors**
- **Encourages Innovation**
- **Reduces Complacency**
- **Improves Client Service**
- **Encourages Employee Improvement**
- **Increases Knowledge of Your Market**



Why Compete?

- **Recognizes Strengths and Weakness**
- **To Improve Increase Market Share**
- **Helps to Focus on Core Competencies and Clients**
- **New Challenges and Opportunities**
- **Survival of the Fittest**
- **The Public Benefits from Healthy Competition**



Why Should Local Firms Cooperate with Foreign Firms?

- **Procurement Requirements by Donors or Investors**
- **Participation in Larger or Complex Projects**
- **Competitive Advantage over Local Rivals**
- **Share Resources**
- **Access to Tools, Manpower and Financial Resources**
- **Transfer of Technology**
- **International Standards, Practices and Procedures**
- **Opportunities to Recruit or Retain Talent**



Why Should Foreign Firms Cooperate with Local Firms?

- **Procurement Requirements by Donors or Investors**
- **Local Design Standards, Specifications or Socio-Environmental Considerations**
- **Local Construction or Permitting Requirements**
- **Language, Cultural, and Political Considerations**
- **Tax and Human Resources Issues**
- **Relationships in Host Country**
- **Increase Competitive Edge in Global Market**
- **Increase Market Power or Enter New Markets**
- **Competitive Advantage over Foreign Rivals**



Suggestions to Achieve Local Involvement in Major Projects

- **Government Policies for Local Participation**
- **Reporting Standards for Local Performance**
- **Planning of a Skilled Workforce**
- **Establish Mentoring Programs with Foreign Firms**
- **Collaboration with Donors and Investors**



Suggestions to Achieve Local Involvement in Major Projects (cont.)

- **Marketing Local Engineering Services**
- **Specify Local Design and Construction Standards**
- **Collaboration with Universities and Technical Schools**
- **Involvement of Professional Engineering Societies**
- **Promote Licensing Requirements**



Successful Cooperation Between Local and Foreign Firms

- 1. Requires Trust and Strong Personal Relationships**
- 2. Adopt a Long Term Mission Goal**
- 3. Willingness to Listen and Learn**
- 4. Willingness To Train**
- 5. Whatever Good Happens To You Will Happen To Me**



Which Would You Choose,
Cooperation or Competition?



Cooperate to Compete!



Muito Obrigado

