Macroeconomic Snapshot

Strong GDP Growth

- Africa is home to 1 billion people and one third of the world’s natural resources
- Six of the world’s fastest growing economies over the last 10 years have come from sub-Saharan Africa
- Africa’s GDP will increase from $2 trillion today to $29 trillion in today’s money by 2050
- The aggregated market of Africa dwarfs those of Latin America

Increasingly attractive market

1 - UNECA Economic Report for Africa 2013

Source: IMF World Economic Outlook Database; Ernst & Young analysis.
Total FDI: $53Bn (2013)
Foreign Direct Investment into Africa

FDI recipients - top 10 economies

- **Bucking global trends**: While FDI flows globally declined by 18%, those to Africa increased by 5%.

- **Asian inflows**: Malaysia, South Africa, China and India (in that order) are the largest developing-country sources of FDI in Sub-Saharan Africa (ex-SA).

- **Consumer markets on the rise** – feeding into increases in expendable income

- **New regional growth** – East Africa of strategic importance

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1 – UNECA Economic Report for Africa 2013
Five drivers of the African growth story

Drivers

Demographics

Governance

Trade

Urbanization

Technology
Demographics

- **Populating the planet:** by 2050 one in five of the world’s inhabitants will be African

- **New generation:** sub-Saharan Africa has a median age of 18.6, is experiencing a demographic boom similar to that enjoyed by China and other East Asian nations in the last half of the twentieth century.

- By 2040, Africa’s population is projected to have the largest proportion of economically active adults of any major market.

1. UN, 2013, World Population Forecast
2. World Economic Forum Review, June 2013
Governance

- **Improving governance**: 20 years ago, only 7 of Africa’s countries held frequent elections – now the figure is 2 in 3

- **Transparent business environment**: according to the latest World Bank’s annual ranking of commercial practices, 36 out of 46 African governments improved the ease of doing business in 2012

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**IFC ‘Doing business’ index**

<table>
<thead>
<tr>
<th>Economy</th>
<th>Ease of Doing Business Rank (1-185)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>39</td>
</tr>
<tr>
<td>Rwanda</td>
<td>52</td>
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<tr>
<td>Ghana</td>
<td>64</td>
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<td>Namibia</td>
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<td>Mozambique</td>
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<tr>
<td>Angola</td>
<td>172</td>
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<tr>
<td>Congo, Dem. Rep.</td>
<td>181</td>
</tr>
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</table>

**Business environment**

<table>
<thead>
<tr>
<th>Rank &amp; Country</th>
<th>Score/100</th>
<th>6 Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Mauritius</td>
<td>98.0</td>
<td>14.2 A</td>
</tr>
<tr>
<td>2 Egypt</td>
<td>79.7</td>
<td>14.5 A</td>
</tr>
<tr>
<td>3 Botswana</td>
<td>75.8</td>
<td>6.9 A</td>
</tr>
<tr>
<td>4 Rwanda</td>
<td>71.9</td>
<td>6.8 A</td>
</tr>
<tr>
<td>5 Cape Verde</td>
<td>71.4</td>
<td>7.0 A</td>
</tr>
<tr>
<td>6 South Africa</td>
<td>70.7</td>
<td>-1.1 A</td>
</tr>
<tr>
<td>7 Namibia</td>
<td>69.8</td>
<td>0.2 A</td>
</tr>
<tr>
<td>8 Ghana</td>
<td>66.3</td>
<td>2.0 A</td>
</tr>
<tr>
<td>9 Tunisia</td>
<td>62.7</td>
<td>-2.0 A</td>
</tr>
<tr>
<td>10 Lesotho</td>
<td>61.0</td>
<td>-0.2 A</td>
</tr>
<tr>
<td>11 Angola</td>
<td>59.8</td>
<td>0.4 A</td>
</tr>
</tbody>
</table>

Source: 2012 Ibrahim Index of African Governance (IIAG)
Urbanization

- **Present opportunities**: Africa has more cities with 1 million people than North America.

- **Mass migration to cities**: Around 40% of Africans currently reside in urban areas. Further ahead, by 2050, more than 60% of Africans will live in urban areas.

- **2nd / 3rd city focus**: 70% of all urban growth in the next two decades is expected to take place in smaller towns and cities across the continent.
Technology

Africa goes mobile

- **Skipping fixed line technology**: Africa is re-shaping traditional Western conceptions of technological development

- **Mobile economies**: more people in Africa now have access to a mobile phone than clean drinking water

- **Connectivity**: there are around 120 million internet users in Africa. 2000 to 2011 - internet usage in Africa grew by 2,527% ²

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1 – M & C Saatchi Mobile, June 2013, ‘Inside Mobile Africa’
Trade

Fuel exporting nations dominate

- **BRICs trade relationship**: 22 years ago Brazil, Russia, India and China accounted for just 1% of African trade. Today they make up 22%, and by 2030 the rate is expected to be 50%.

- **Natural resource wealth**: Africa is highly commodity dependent

- **Room for development**: out of 54, 42 African countries are still net importers of oil, 45 are net importers of food.

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1. UNECA Economic Report for Africa 2013
3. Food and Agriculture Organization of the United Nations data, 2013
Small and Medium Enterprises – Key to Growth

- Growing Consumer Class
- DFI’s and beyond
- Educated Local Management
- Reduced Government Interference
- Improving Business Environment
- Sector Growth Consumer Goods Financials

Invest Africa
Invest Africa

IA’s vision is to be a global private members club with a multi-service platform for access and investment into Africa.

Our network is made up of business leaders at top global organizations, fund managers, private investors, family offices, entrepreneurs, and policy makers – all with a common interest in Africa.

Membership Benefits

- Network
- Access
- Events
- Research
- Travel
- Investing

Access
ACI – Africa Capital Investments

Through our experienced team at ACI, we are able to connect projects to finance, identify co-partners for direct investments and assist with entry into the sub-Saharan market by leveraging our significant networks on the ground.

ACI can add significant value

For companies
- Senior board recruitment
- Identification of local partners
- Access to capital

For Investors
- Trusted deal origination
- Investment structuring
- Ongoing oversight of investor interests