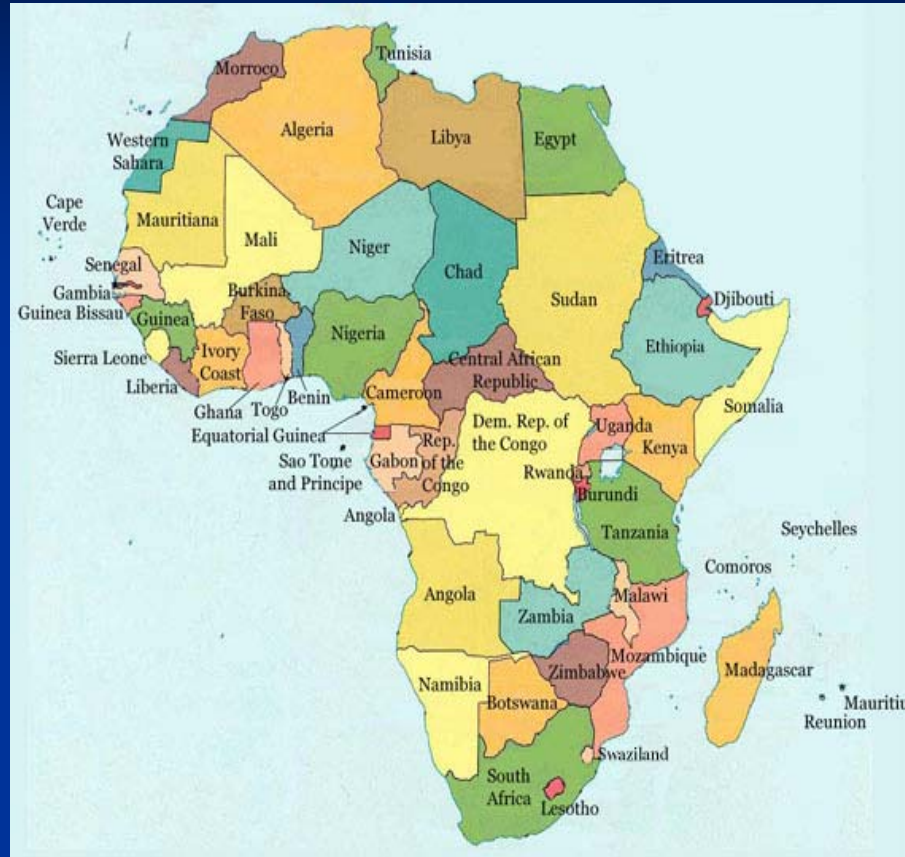


MAP OF AFRICA



Africa: "The last Frontier for Investments."

Business in Africa Forum. 2010

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Presented By:



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INTRODUCTION

- Africa has been growing rapidly, GDP growth averaged 5 – 6 percent between 2000 – 2006
- Africa has a lot of untapped mineral, agricultural, energy and tourism resources.
- The growth of Asia in particular China and India has led to a new race for Africa's resources.
- Africa and Africans are better placed to exploit these opportunities than was the case in the pre and post independence era.

CHANGES IN BUSINESS LANDSCAPE

- African countries have realised the need for trade and investment.
- The continent lacks significant savings, therefore needs to import capital and in certain circumstances entrepreneurs.
- To promote trade and investment most African countries are members of Regional Economic groupings, such as COMESA, SADC, ECOWAS, EAC, for example.
- Regional groupings provide a critical mass that create opportunities for value addition to many products produced in Africa.
- Population explosion in the world, shortage of water, rapid industrialisation in Asia, provides significant agricultural opportunities for investment in Africa.

CHANGES IN GOVERNANCE

- Development of democracy whilst fragile, is taking root on the continent.
- The number of internal conflicts have significantly reduced from 30 years ago.
- The collapse of the Soviet Union block has reduced Super Power induced conflicts .
- The rapid development of telecommunications, growth of middle classes, growth of NGO's and the return of the Diaspora has led to much higher levels of freedom of expression.

GROWTH OF ASIA AND LINK TO AFRICA

- ❑ China and Indian growth has led to a new source of investment for Africa.
- ❑ Western countries must not be left behind as they have a stronger cultural link to Africa than China and India.
- ❑ Sustained growth of Asia provides an opportunity in those industries that supply goods required in those economies.
- ❑ Africa's needs for Energy, Infrastructure, Mining and Agricultural investment has been accentuated by Asian growth as well as African's economic and population growth as well as urbanisation.

CONCLUSION

- ❑ Africans themselves have started investing in the continent: DIASPORA.
- ❑ Western companies must not be left behind.
- ❑ Joint ventures with local companies where possible remain as one of the ways of mitigating risks.
- ❑ Private Equity Funds are now becoming more active in Africa. The French Government supported African Agricultural Fund to be managed by Phatisa Fund Managers is an example.
- ❑ Whilst problems remain with the African investment climate , the climate is improving and the outlook has never been better.
- ❑ **DON'T BE LEFT BEHIND!**

Thank You.

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