



GROWTH SECTORS AND INVESTMENT OPPORTUNITIES IN AFRICA (POST PANDEMIC)

PRESENTATION TO CRANFIELD ALUMNI NIGERIA BUSINESS EVENT

By

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A semi-circular diagram with seven numbered segments (1-7) in various colors, each corresponding to a section of the table of contents. The segments are arranged in a semi-circle from left to right, with the numbers 1 through 7 inside white circles on each segment. The colors of the segments are: 1 (blue), 2 (dark blue), 3 (red), 4 (orange), 5 (yellow), 6 (light blue), and 7 (dark red).

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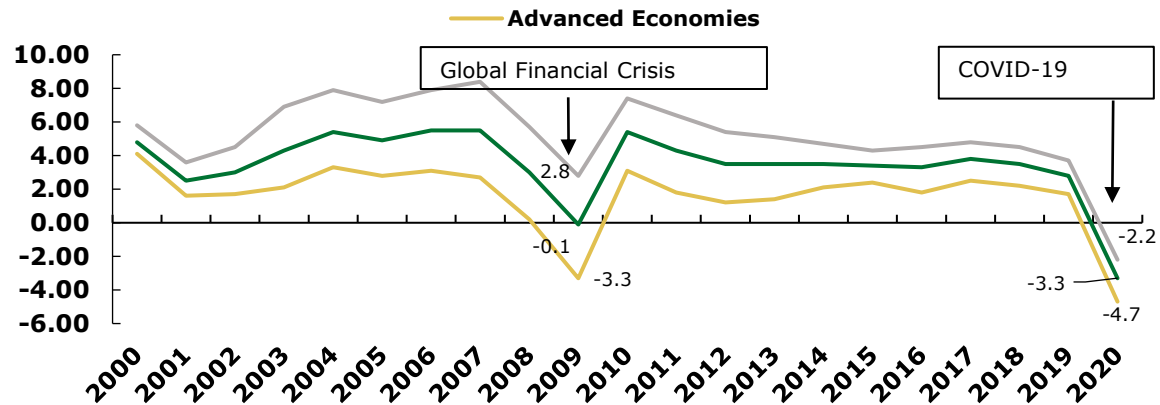


GLOBAL AND DOMESTIC TRENDS

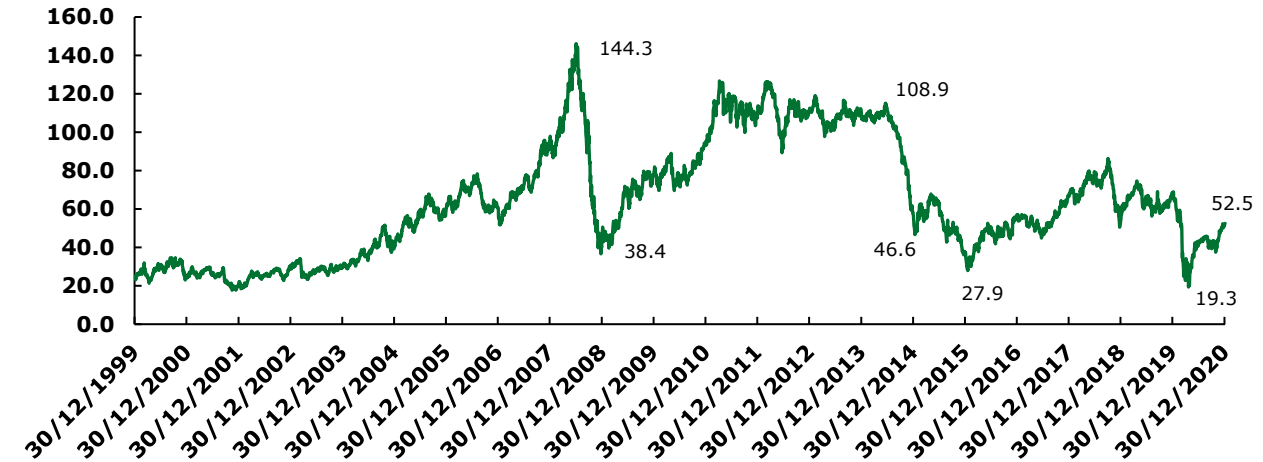
GLOBAL AND DOMESTIC TRENDS

ECONOMIES JOLT IN THE FACE OF THE PANDEMIC

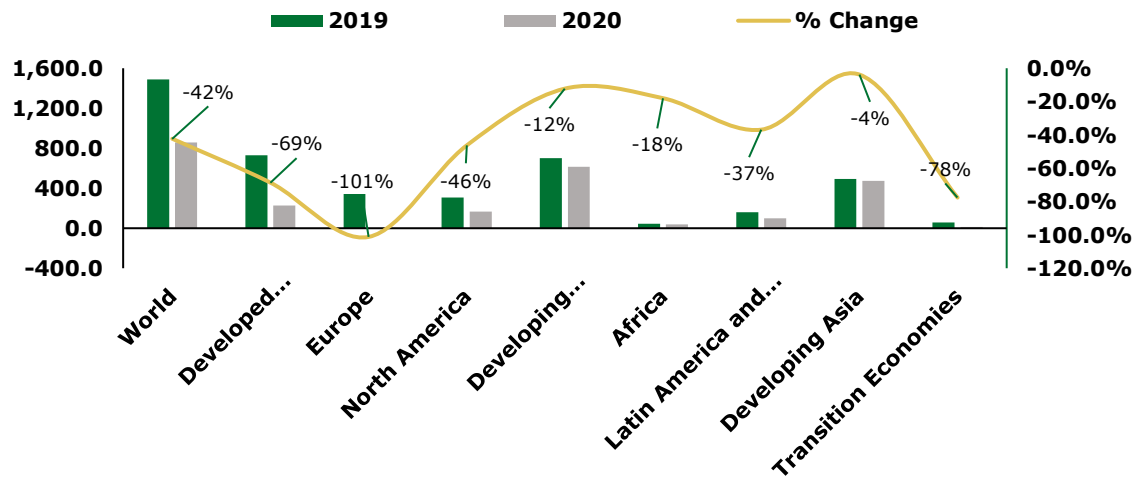
COVID-19 IMPACTS GLOBAL GDP (%)



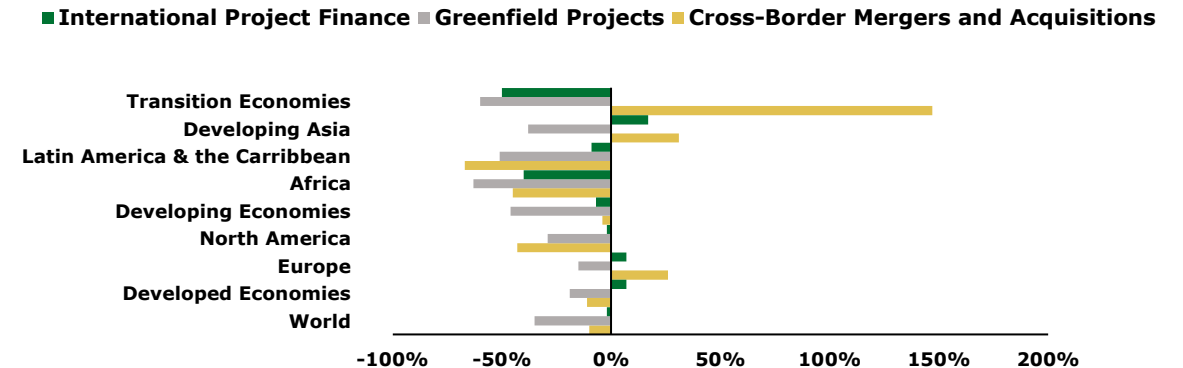
DAILY BRENT CRUDE PRICE (USD/BBL)



FOREIGN DIRECT INVESTMENTS INFLOWS (USD 'BN)



INVESTMENT IN 2020 TRENDS BY TYPE AND REGION

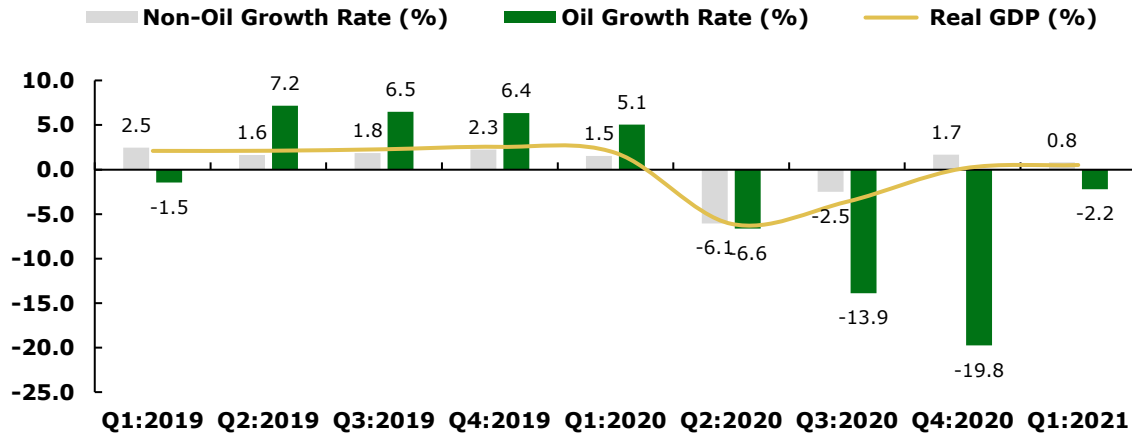


Source: IMF, UNCTAD

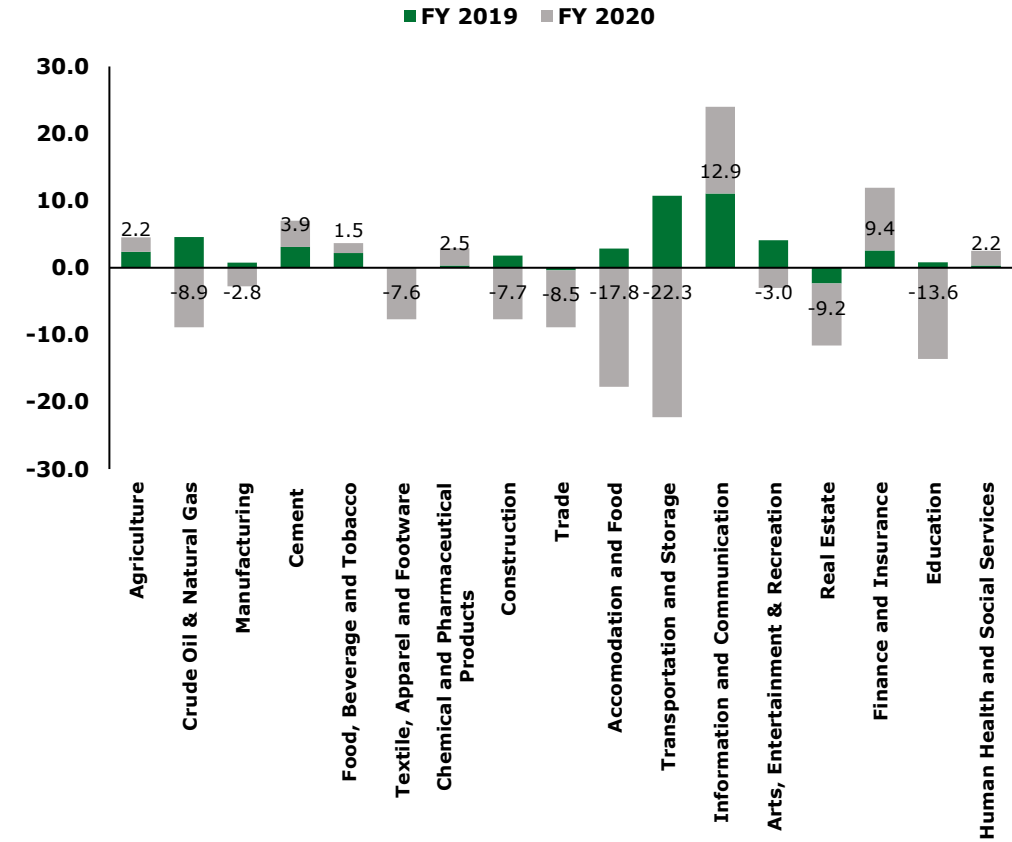
GLOBAL AND DOMESTIC TRENDS

NIGERIA RECOILS IN THE FACE OF THE PANDEMIC

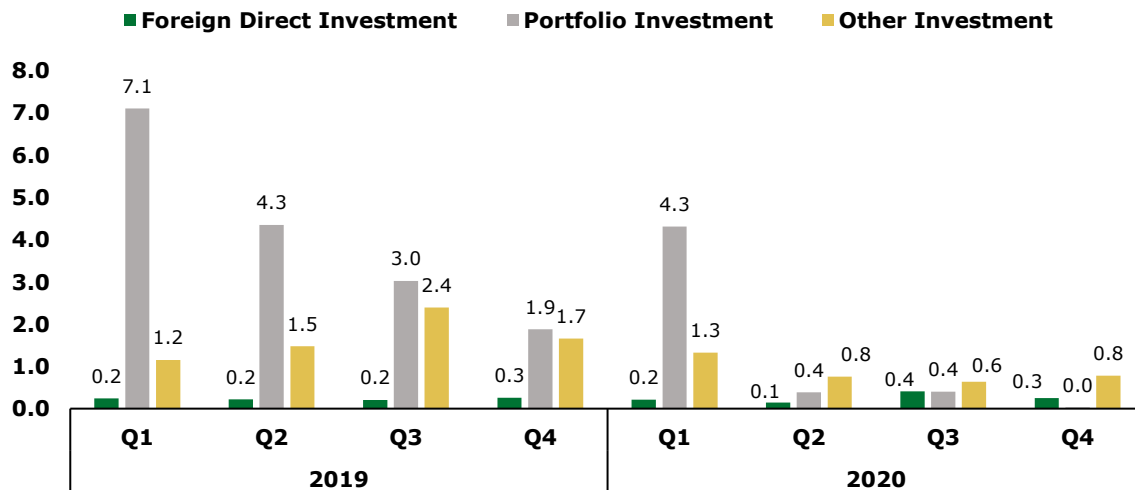
GDP



SECTORIAL GDP PERFORMANCE (%)



CAPITAL IMPORTATION BY TYPE OF INVESTMENT (USD 'BN)

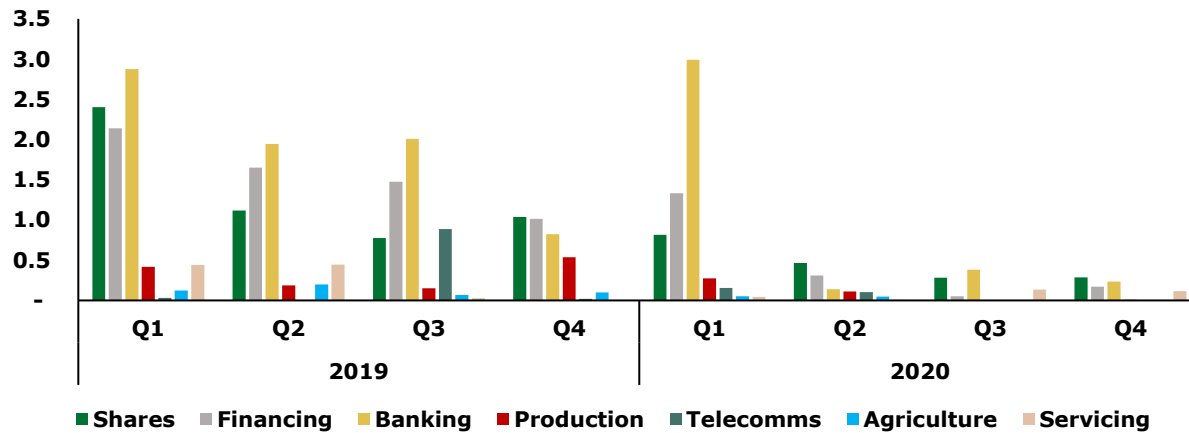


Source: NBS

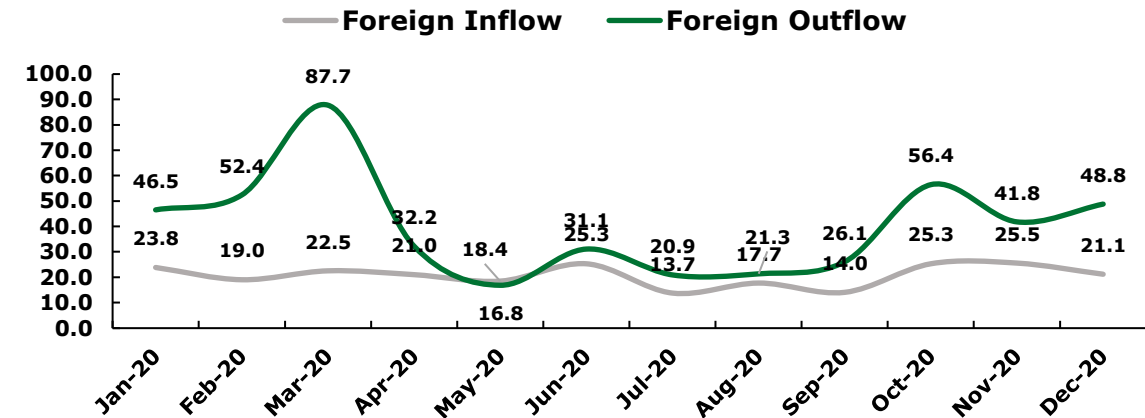
GLOBAL AND DOMESTIC TRENDS

NIGERIA JOLTS IN THE FACE OF THE PANDEMIC

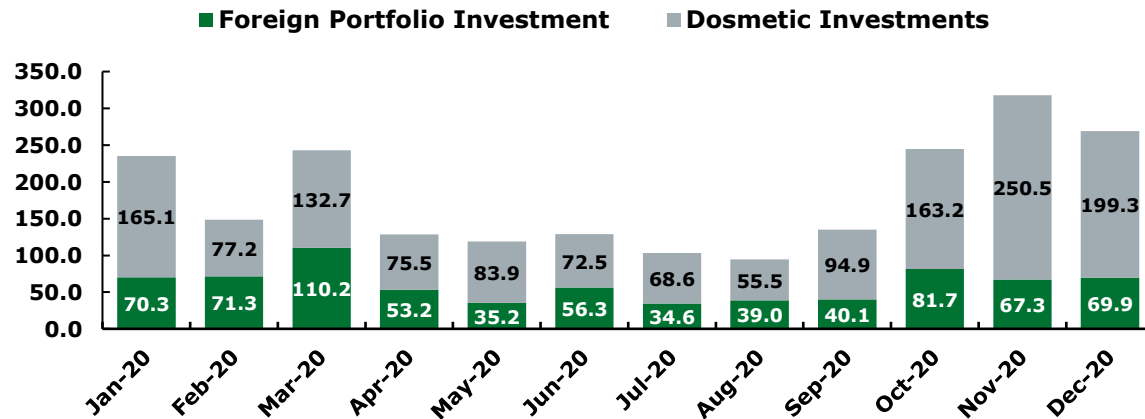
CAPITAL IMPORTATION BY SECTORS (USD'BN)



2020 FOREIGN INFLOW & OUTFLOW IN THE EQUITIES MARKET (NGN 'BN)



FOREIGN AND DOMESTIC INVESTMENT INTO THE EQUITIES MARKET (NGN 'BN)



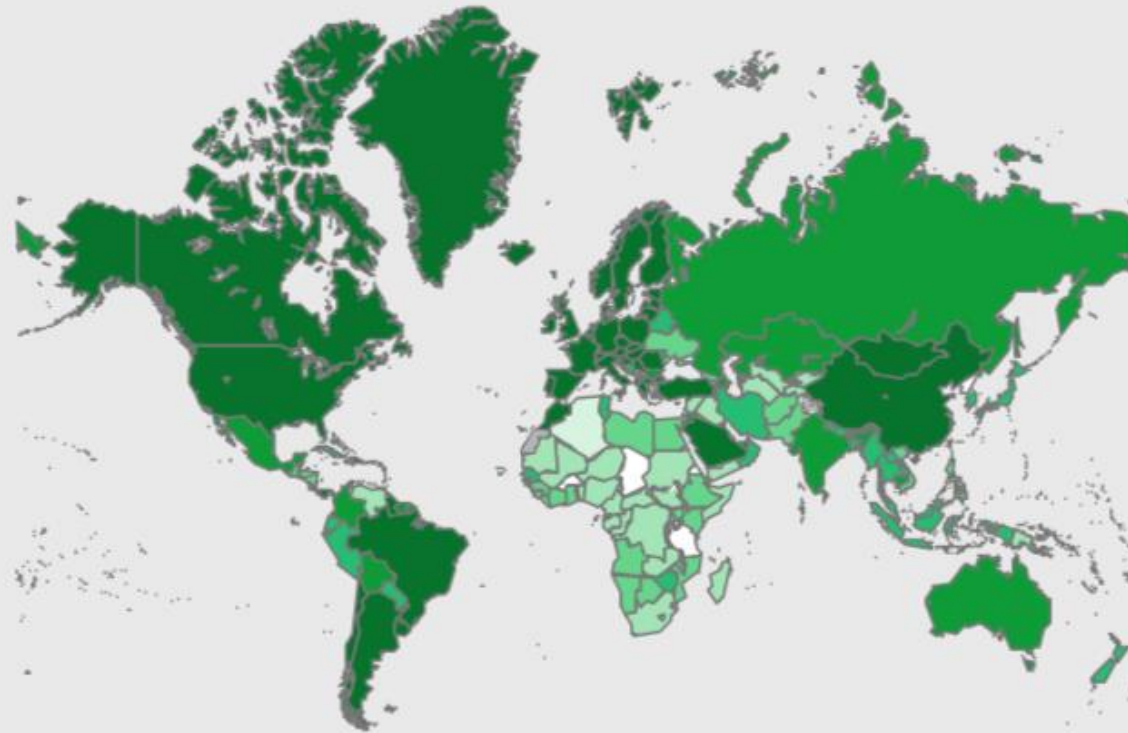
Source: NBS

GLOBAL AND DOMESTIC TRENDS

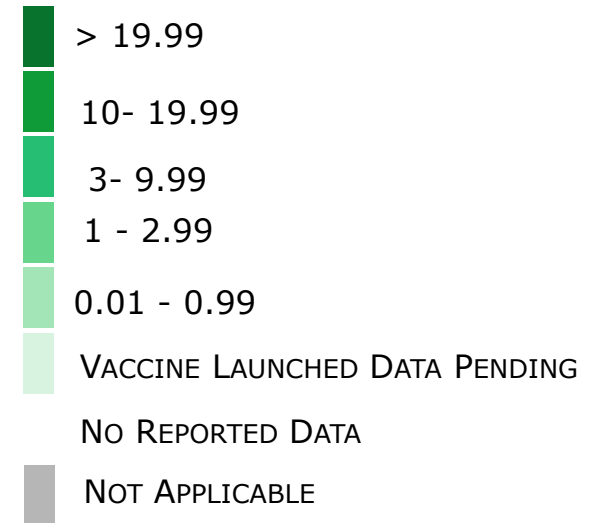
THE PATH TOWARDS NORMALCY

ADMINISTERED VACCINES

- PFIZER
- MODERNA
- ASTRAZENECA
- JOHNSON & JOHNSON
- GAMALEYA – SPUTNIK
- SII-COVISHIELD
- SINOVAC-CORONAVAC
- BHARAT-COVAXIN



TOTAL DOSES ADMINISTERED PER 100 POPULATION



FIRST VACCINE ADMINISTERED IN CHINA ON JULY 22, 2020.

1,489,727,128 VACCINE DOES ADMINISTERED

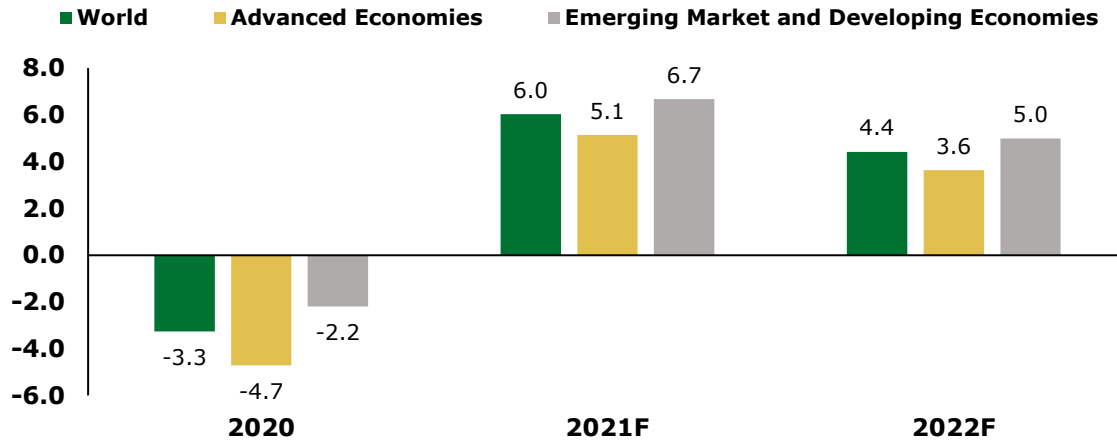
700,321,842 PERSONS HAVE BEEN VACCINATED WITH AT LEAST ONE DOSE

Source: WHO, Data are as of May, 26, 2021.

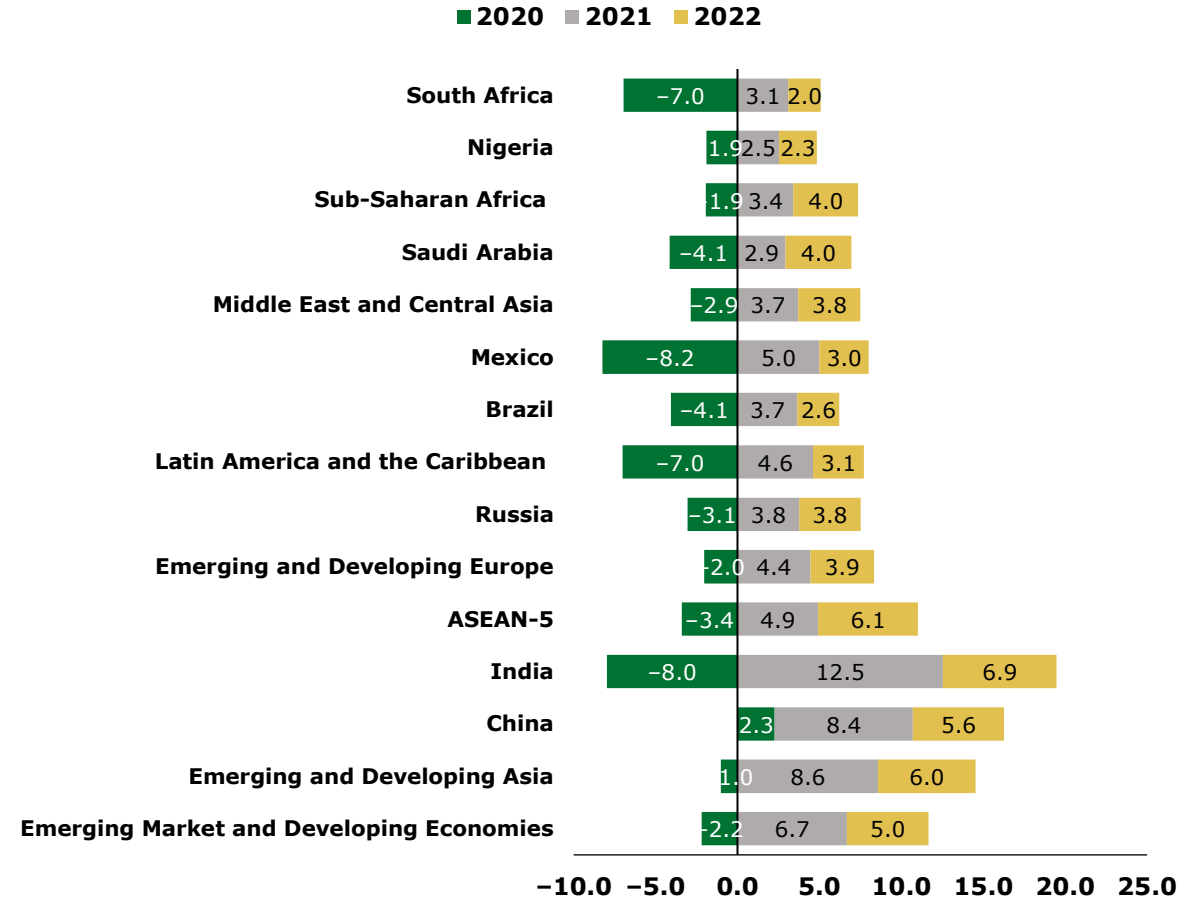
GLOBAL AND DOMESTIC TRENDS

THE PATH TOWARDS NORMALCY

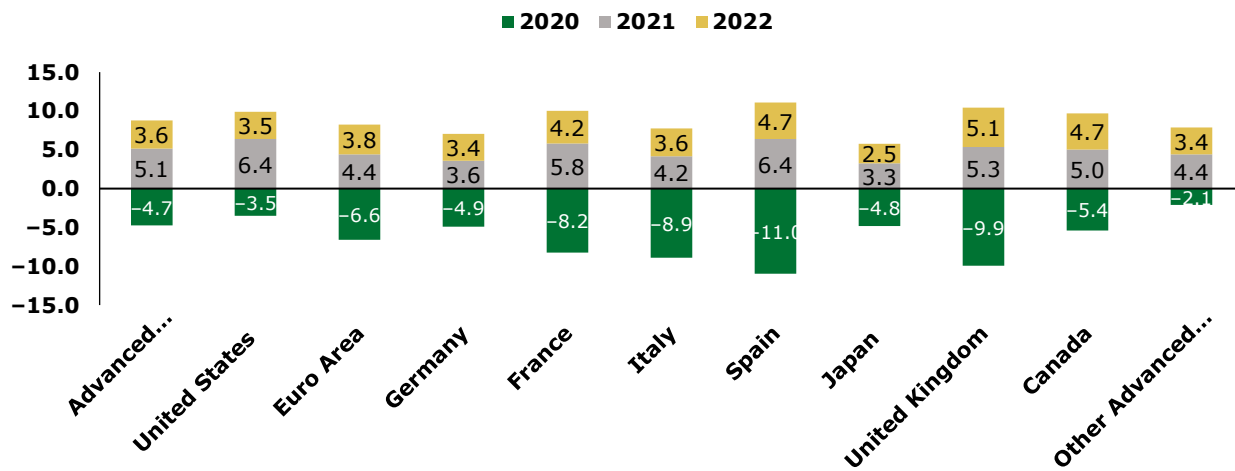
GLOBAL GROWTH FORECAST (%)



IMF PROJECTION FOR EMERGING MARKET AND DEVELOPING ECONOMIES (%)

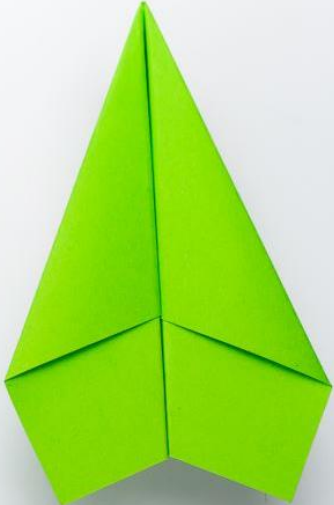
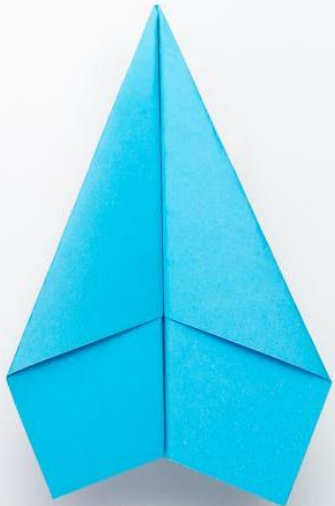


IMF PROJECTION FOR ADVANCED ECONOMIES (%)



Source: IMF

IMPACT OF COVID-19 ON SECTORS & FOREIGN INVESTMENTS



IMPACT OF COVID-19 ON SECTORS & FOREIGN INVESTMENTS

TRADE



According to data from United Nations Conference on Trade and Development (UNCTAD), Africa's export and import have been estimated to have declined by 35.0 % and 25.0% apiece in Q2:2020

TOURISM



Africa posted the second steepest regional dip of 75.0%, as the number of international tourist arrivals sunk from 70.0mn in 2019 to 18.0mn in 2020..

OIL & GAS



Oil price plummeted to an 18-year low of USD19.33bp in April 2020, as demand sunk, leading to oil glut even as production cuts were imposed by OPEC on its members. Consequently, oil producing African nations like Nigeria had to revise its budgeted benchmark oil price and oil production.

HEALTH



In a recent report of the UNCTAD, it was recorded that Africa relies on external supply for more than 90.0% of medications. Thus, constraints on the importation of health care products was further amplified by the pandemic.

TELECOMMUNICATION



Unlike other sectors, the pandemic acted as a tailwind for some sectors such as the telecommunications sector that fuelled the upsurge in data consumption as the world went virtual.

IMPACT OF COVID-19 ON SECTORS & FOREIGN INVESTMENTS

FINTECH



The fintech sector performance improved, as the need for optimised financial services increased due to social distancing and lockdown measures.

FOREIGN DIRECT INVESTMENT



UNCTAD estimated global foreign direct investment (FDI) to have declined in 2020 by 42.0%. Africa's FDI was recorded to have plummeted by 18.0% to USD38.0bn from USD46.0bn. With respect to the specific type of investment, UNCTAD further reported that investments in greenfield projects, cross-border mergers and acquisitions, and international project finance slipped 63.0%, 45.0% and 40.0% respectively in Africa.

FOREIGN PORTFOLIO INVESTMENT



At the peak of the pandemic, the IMF in its April 2020 Global Financial Stability Report, estimated the outflow of portfolio investments in Africa to be over USD100.0bn across EMDEs, under which SSA is categorised

SOVEREIGN DEBTS



2020 was also characterised with the highest number of debt defaults across the globe, questioning the fiscal sustainability of many economies. In Africa, Zambia defaulted on her Eurobond obligation of about USD42.5mn.



**STIMULUS INTERVENTION PROGRAMS,
AND INITIATIVES INTRODUCED BY
AFRICAN FISCAL AND MONETARY
AUTHORITIES**

STIMULUS INTERVENTION PROGRAMS, AND INITIATIVES INTRODUCED BY AFRICAN FISCAL AND MONETARY AUTHORITIES



GDP Q1 2021: 0.51%



Latest Inflation reading
18.1%

Nigeria

FISCAL

- ❑ Fiscal support to GDP stood at 1.5% as of end of 2020.
- ❑ The FG revised the 2020 budget from a total of NGN10.5tn to NGN10.81tn
- ❑ Suspension of payment of new electricity tariff and reduction of fuel pump price in December.
- ❑ Provision of food and cash palliatives.
- ❑ Extension of deadline for filing tax returns.

MONETARY

- ❑ The Central Bank of Nigeria cut the Monetary Policy Rate (MPR) from 12.5% to 11.5%.
- ❑ In addition, the Bank disbursed a cumulative total of NGN2.0 trillion as at January 2021 which included COVID-19 Targeted Credit Facility (TCF) meant for household and small businesses (NGN192.64 billion).
- ❑ Regulatory forbearance for restructuring of loans and extension of a one-year moratorium on principal repayments. Also, the reduction of interest rate on all CBN intervention facilities from 9 to 5%.



GDP Q3 2020: -1.1%



Latest Inflation reading
5.8%

Kenya

FISCAL

- ❑ FG earmarked focused Ksh40bn (0.4% of GDP) on COVID-related spending.
- ❑ Inclusion of new youth employment scheme in government budget.
- ❑ Provision of credit guarantees, VAT refunds, and cash transfers.

MONETARY

- ❑ Central Bank of Kenya lowered rate from 8.25% to 7.0% and cut cash reserve ratio by 100bps to 4.25%.
- ❑ Extended tenor of repos from 28 to 91 days.
- ❑ Flexibility of loan classification and provisioning for loans restructured due to the pandemic.
- ❑ Introduction of new minimum threshold for negative credit information submitted to credit reference bureaus.
- ❑ Waiver and reduction of charges on mobile money transactions.

STIMULUS INTERVENTION PROGRAMS, AND INITIATIVES INTRODUCED BY AFRICAN FISCAL AND MONETARY AUTHORITIES



GDP Q4 2020: 6.3%

Latest Inflation reading
4.4%



South Africa

FISCAL

- Unemployment Insurance Fund (UIF) and special programs from the Industrial Development Corporation was extended until April 2021.
- Government-backed loans were provided to eligible businesses to help them cope with operational expenses.
- Tax credit, reimbursements, deferred some tax liabilities, full rebate of customs duty and import VAT implementation for essential goods.

MONETARY

- The South African Reserve Bank's MPC cut repurchase (repo) rate by 2.75% points between March and July 2020 to 3.5%, from 6.25% in January 2020.
- Boosting intraday liquidity by providing two repo auctions to provide intraday liquidity support: (ii) increasing the size of the main weekly refinancing operations as needed.
- Provided guidance for lenders to provide debt relief to bank customers, temporarily eased on bank capital requirements and liquidity coverage ratio from 100 to 80 %.



GDP Q4 2020: 2%

Latest Inflation reading
4.1%



Egypt

FISCAL

- Introduction of USD 6.13 billion package (EGP 100 billion, 1.8 percent of GDP) stimulus policies.
- EGP 10bn to offer consumers (citizens) two-year cheap loans.
- EGP 5bn support for health care sector.
- EGP 100bn stimulus out of which 50% was focused on Tourism.
- Restructuring of micro loans.
- Improved lending to SMEs.

MONETARY

- The Central Bank of Egypt cut rate three times to 8.25% in November.
- Reduction of preferential interest rate for loan to tourism, industry, agriculture, housing, and construction sectors from 10% to 8%.
- Increasing limits of electronic payments through mobile phones to EGP 30,000/day and EGP 100,000/month for individuals, and to EGP 40,000/day and EGP 200,000/per week for corporations.

STIMULUS INTERVENTION PROGRAMS, AND INITIATIVES INTRODUCED BY AFRICAN FISCAL AND MONETARY AUTHORITIES



GDP Q4 2020: 1.9%



Latest Inflation reading
3.9%

Cote d'Ivoire (Ivory Coast)

FISCAL

- ❑ The government earmarked 96bn CAF in response to COVID-19.
- ❑ Agric input support and expanded cash transfer.

MONETARY

- ❑ The MPC of the regional central bank (BCEAO) for the West-African Economic and Monetary Union (WAEMU) cut the ceiling and the floor of the monetary policy corridor, by 50 bps to 4 and 2% respectively.
- ❑ Introduced a special 3-month refinancing window at a fixed rate of 2.5% for limited amounts of 3-month to ease funding conditions.
- ❑ Introduced measures to promote electronic payments adoption.
- ❑ Restructuring of bank loans.



GDP Q4 2020: 3.3%



Latest Inflation reading
8.5%

Ghana

FISCAL

- ❑ 2.1% of GDP was spent under the Coronavirus Alleviation Programme.
- ❑ Government agreed with investors to post-poner interest payment on non-marketable domestic bonds held by public institutions.
- ❑ FG drew US\$218 million from the stabilization fund and plans to borrow up to GHc 10 billion from the Bank of Ghana.
- ❑ Issuance of US\$ 3bn Eurobond.

MONETARY

- ❑ The Central Bank of Ghana eased benchmark rate by 1.5% points to 14.5% to support the economy.
- ❑ Lowering the primary reserve requirement by 2% points to 8%, and the capital conservation buffer from 3 to 1.5%.
- ❑ Revision of provision and classification rules for specific loans.

STIMULUS INTERVENTION PROGRAMS, AND INITIATIVES INTRODUCED BY AFRICAN FISCAL AND MONETARY AUTHORITIES



GDP Q4 2020: -2.7%



Latest Inflation reading
22.7%

Zambia

FISCAL	MONETARY
<ul style="list-style-type: none"> ❑ FG waived penalties and fees on outstanding tax liabilities due to COVID-19. ❑ Suspension of VAT and import duties on medical supplies and suspension of import duties on precious metals. ❑ Issuance of 8bn kwacha bond to fund COVID-19 expenses, purchase grains and recapitalize a non-bank financial institution (NATSAVE). ❑ Plans tax breaks for Tourism sector. 	<ul style="list-style-type: none"> ❑ Cut policy rate from 11.5% to 8.0%. ❑ Provision of 10bn kwacha bond of medium-term liquidity for financial services sector. ❑ Bond purchase program of 8bn kwacha and scaled up OMO to boost system liquidity. ❑ Revised loan classification and provisioning rules. ❑ Granted leave for the restructuring of loans. ❑ Revised interbank foreign exchange market operation rules to improved discipline.



A NEW CASE FOR AFCFTA

A NEW CASE FOR AfCFTA



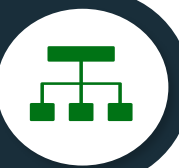
The African Continental Free Trade Area (AfCFTA) took off January 1, 2021, to unite 1.2bn consumers across a USD2.2tn market, estimated to reach USD6.7tn by 2030.



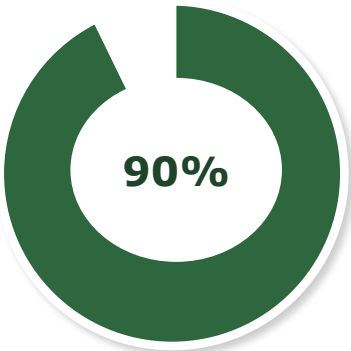
Seeks to boost intra-Africa trade in merchandise and services by progressively eliminating tariff and non-tariff barriers over a wide range of goods and improving customs.



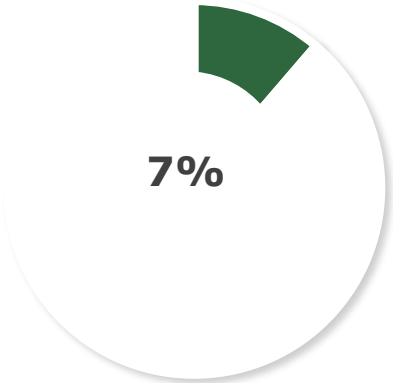
- ❖ 54 out of 55 African Union members have signed the trade agreement.
- ❖ Only 36 have signed, ratified, and deposited their instrument of ratification.
- ❖ Eritrea is the only country that has not made any commitment.



A NEW CASE FOR AfCFTA



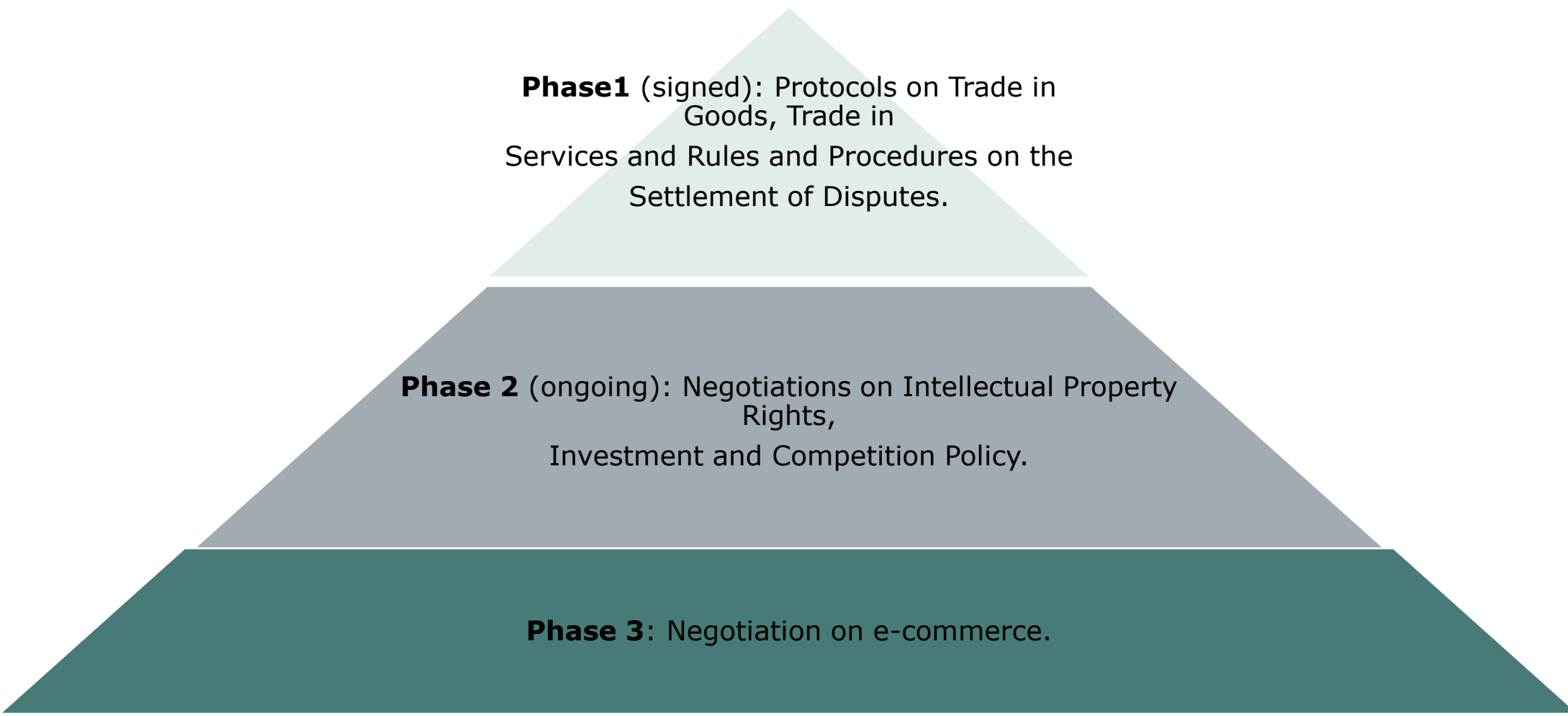
Tariffs on 90 percent of goods tariff lines will be removed in five (5) years (i.e., by 2025) for non-Least Developed Countries (non-LDCs) and in ten (10) years (i.e., 2030) for Least Developed Countries (LDCs).



Another seven (7) percent of "sensitive goods" tariffs will be eliminated over a ten (10) to thirteen (13) year period for non-LDCs and LDCs respectively.



A NEW CASE FOR AfCFTA



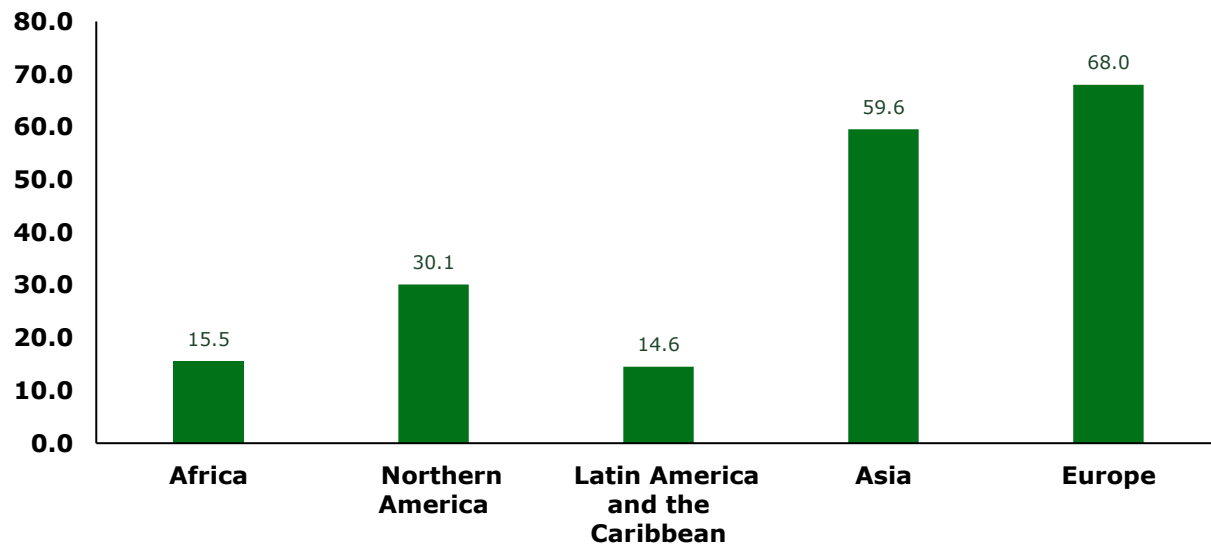
Phase 1 (signed): Protocols on Trade in Goods, Trade in Services and Rules and Procedures on the Settlement of Disputes.

Phase 2 (ongoing): Negotiations on Intellectual Property Rights, Investment and Competition Policy.

Phase 3: Negotiation on e-commerce.

A NEW CASE FOR AfCFTA

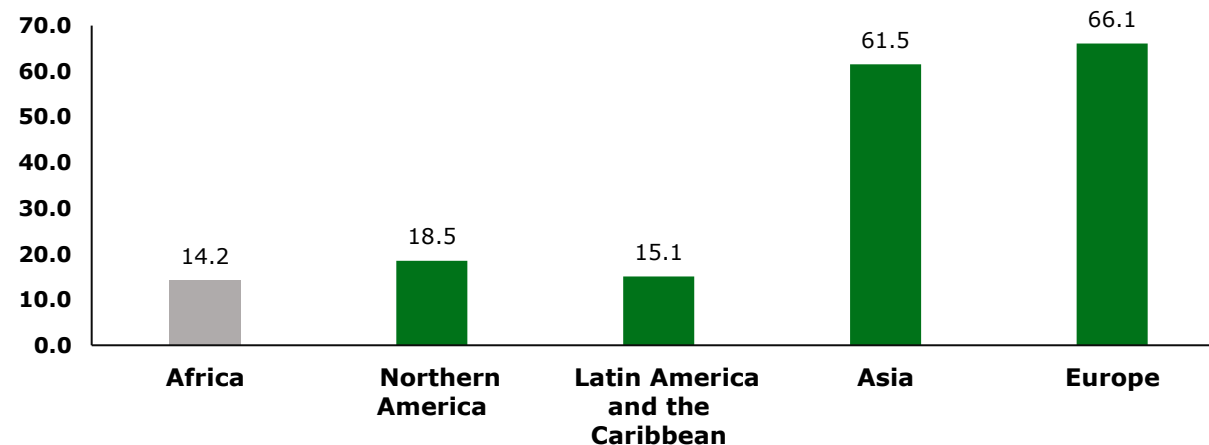
INTRA-REGIONAL EXPORTS AS A PERCENTAGE OF TOTAL EXPORTS IN 2019 (%)



- Intra-regional export (15.5%) in Africa remains low compared to almost all the other regions (14.6%, 30.1%, 59.6% and 68.0% each in Latin America and the Caribbean, North America, Asia, and Europe). Although it is pertinent to note that UNCTAD data might not have captured informal trade.

- Africa relies on offshore markets for most of its imports (85.8%) – the highest compared to Latin America and the Caribbean (84.9%), North America (81.5%), Asia (38.5%) and Europe (33.9%) based on estimates from UNCTAD data.

INTRA-REGIONAL EXPORTS AS A PERCENTAGE OF TOTAL IMPORTS IN 2019 (%)



Source: UNCTAD

A NEW CASE FOR AFCFTA

KEY AREAS TO IMPROVE:

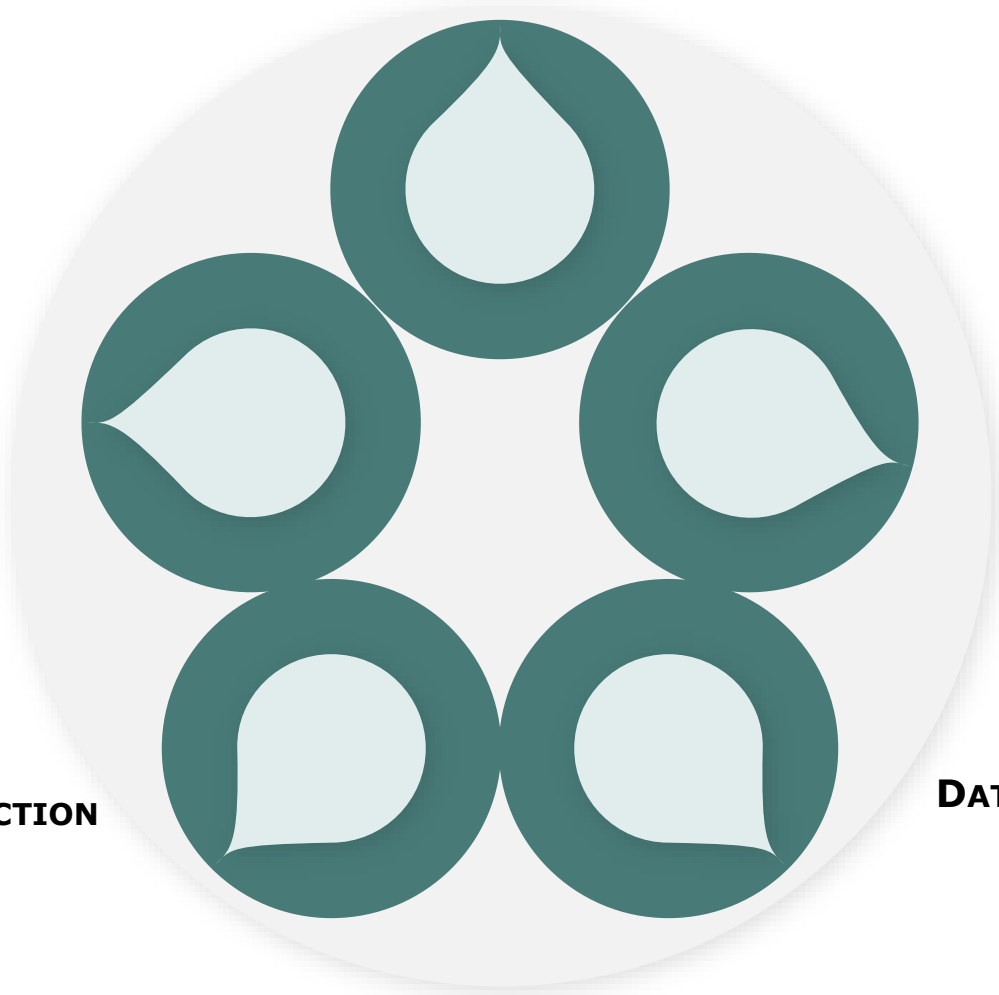
ACCESS TO FINANCE

SMUGGLING

INFRASTRUCTURE GAP

INTELLECTUAL PROPERTY (IP) PROTECTION

DATA PROTECTION AND PRIVACY



A NEW CASE FOR AfCFTA

Where we see opportunities in AfCFTA:

- ❖ Technology.
- ❖ Project finance and Asset financing (Financing transport infrastructure including Railways and Ports to facilitate easy trading).
- ❖ Digitization and Cyber security.
- ❖ Tourism.
- ❖ Financial Services.
- ❖ Trade finance.
- ❖ E-commerce.
- ❖ MSMEs.
- ❖ Business and Professional Services.
- ❖ Energy.
- ❖ Transport and Distribution.
- ❖ Construction and Real Estate.



A NEW CASE FOR AfCFTA

What to Expect:

- ❖ We imagine that upon completion of all AfCFTA agreements we should see a reallocation of human resources and capital to areas where they will be optimized fully. Hence migration and capital flow.
- ❖ Mergers and Acquisitions.
- ❖ Franchising to aid market penetration and expansion.
- ❖ Intra-Africa linkages both transport and digital.
- ❖ Cross-country trading of financial assets.
- ❖ Deeper market penetration and reach of MSMEs.
- ❖ Development of capacity for value-add e.g., Refineries and Factories.
- ❖ Food-processing companies to emerge stronger supported by policies to strengthen manufacturing base.

















**POTENTIAL FOR
INVESTMENTS IN AFRICA**

SUB-SAHARA AFRICA

Key Statistics

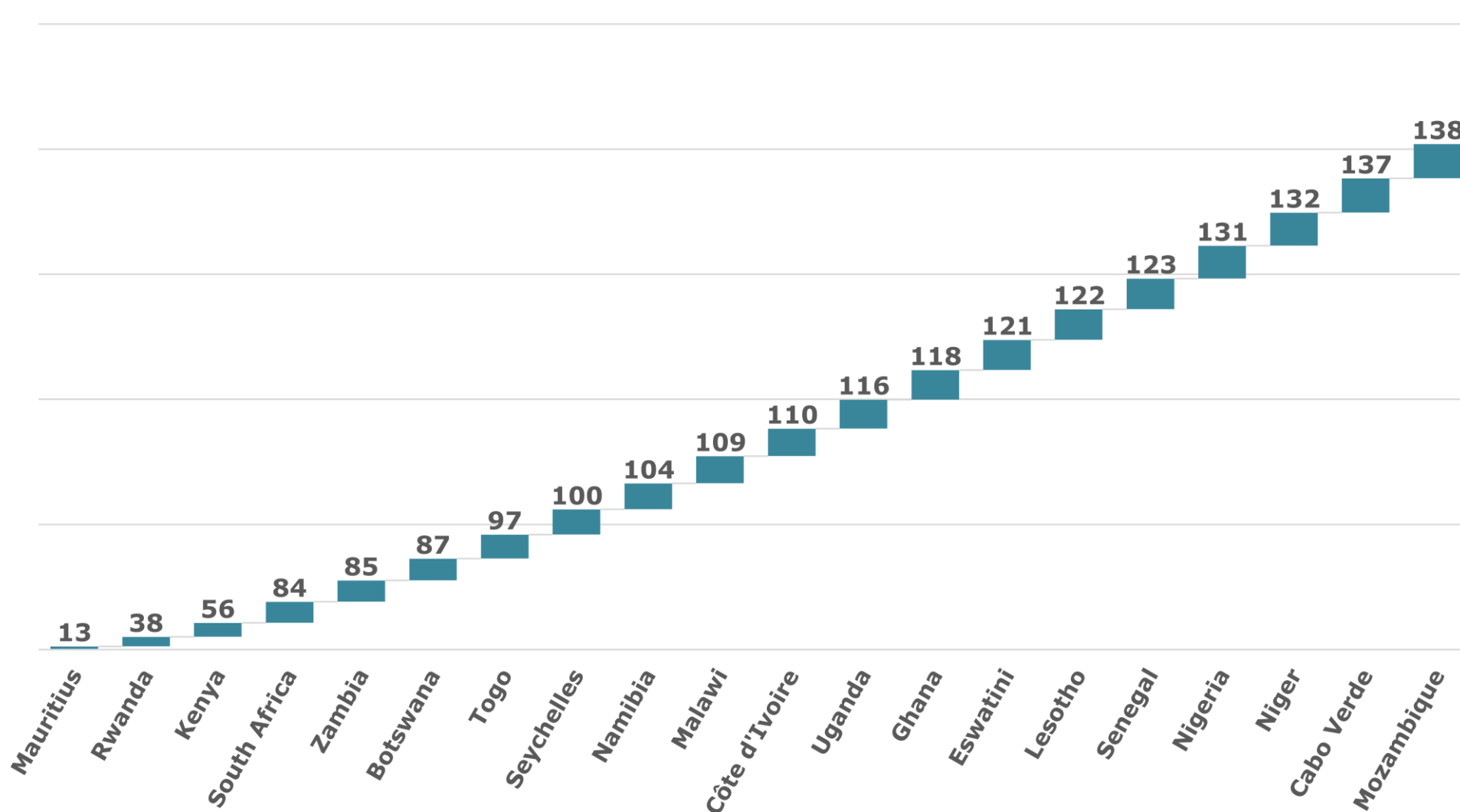
- **Electricity Consumption** : 484.5 Kwh/capita in sub-Saharan Africa (excluding high income). This indicator is both a challenge and an opportunity
- **Telecommunications**: mobile subscriber base at 477 million people as at 2019 and still growing
- **Diaspora Remittances**: Approximately US\$44 billion remittances to Sub-Saharan Africa alone in 2020.
- **Business environment** - Significant progress in Ease of Doing Business reforms.
- **Mineral Reserves**: 30% of the world's share of Gold (40%), Cobalt (56%) and Platinum Group of Metals - PGM(90%).
- **Population/Land Mass** : Africa is the world's second-largest and second-most populous continent, after Asia. Africa covers 6% of Earth's total surface area and 20% of its land area

Inflation/Policy Rate in SSA

Country	Inflation Rate (%)	Policy Rate (%)
Angola	24.82 	15.5 
Ghana	8.5 	13.5 
Kenya	5.87 	7.0 
Nigeria	18.12 	11.5 
South Africa	4.4 	3.5 
Uganda	1.9 	7.0 

SUB-SAHARA AFRICA (SSA)

Ease of Doing Business World Ranking 2020 (Top 20 in SSA)



Source: Doing Business database

For a second year in a row, Togo is among the top 10 economies that most improved ease of doing business through regulatory reforms

Nigeria also joined the top 10 improvers group

Kenya and Nigeria each implemented six reforms each, followed by Togo and Zimbabwe with 5 reforms

Ghana dropped in total score in 2020

Mozambique undertook zero reform in 2020

Eritrea and Somalia occupied least positions of the 190 countries ranked globally

POTENTIAL FOR INVESTMENT IN AFRICA

INVESTMENT OPPORTUNITIES IN AFRICA



CYBERSECURITY



**DATA
STORAGE/CLOUD
INFRASTRUCTURE**



AGRICULTURE



URBAN LOGISTICS

TELEMEDICINE

Over 200 million Africans are between the ages of 15 and 24. The demographic is expected to grow to c. 320 million by 2030.

The bulging youthful population forms a large share of the rising Middle Class and seek access to a wider choice of food, consumer goods, entertainment and increased connectivity.



**AFFORDABLE
REAL
ESTATE**



MINING



ENERGY/ELECTRICITY



MANUFACTURING

POTENTIAL FOR INVESTMENT IN AFRICA

CENTRAL AFRICA

Our prognosis shows that top sectors like Agriculture, Forestry and Mining are potentials for foreign investments.



❖ AGRICULTURE

Although c. 55% of the region's GDP is derived from Agriculture, a vast bulk of its population (almost 75%) engages in subsistence farming of staple foods like cassava, yams, maize, and others. Similarly, production levels for its main food exports like cotton, coffee, and tobacco have remained persistently low.

With the cotton market expected to reach USD46.56bn by 2027, and the global coffee market valued at USD465.9bn, there remains good prospects for region.

To us, the sector requires adequate resources, tools, capital, and structured supply chains, as well as an established food processing company to drive a transformation mentality.



POTENTIAL FOR INVESTMENT IN AFRICA

CENTRAL AFRICA

Our prognosis shows that top sectors like Agriculture and Mining are potentials for foreign investments.



❖ MINING

The region is rich in valued natural resources such as diamonds, gold, and uranium, with Diamond constituting nearly half of its export revenues. A US geological survey (2012) shows the region is the 12th world's leading producer of raw diamond by volume, and 10th in terms of value.

In terms of uranium, the region has made mild progress to allow it join the list of producer countries. Although, its sedimentary Bakouma site of uranium mineralization is known. From DRC, we also note the rising demand for cobalt from the electric vehicle market led the development of Glencore Katanga mine, which produced 23,900 tonnes in 2020.

On the back of this, we expect external actors will begin to pay much needed attention to the sector in the medium term.



POTENTIAL FOR INVESTMENT IN AFRICA

NORTH AFRICA

Unlike central Africa, these countries in this sub-region have already achieved significant industrialisation



❖ **MANUFACTURING**

The most significant being its manufacturing sector, as c. 32% of manufactured exports accounts for total exports.

In Egypt, for instance, notable brands like Mercedes-Benz and Kia kick-off the inauguration of their motor vehicle assembly plants. This comes as assembled production of Egypt's first locally assembled electric car, by China's Dongfeng Motor, is scheduled to start by the end of the year.

Morocco also seeks to boost its value chain in the automotive industry by producing components locally and offering fiscal and tax incentives in certain zones.



POTENTIAL FOR INVESTMENT IN AFRICA

NORTH AFRICA

Unlike central Africa, these countries in this sub-region have already achieved significant industrialisation



❖ CONSTRUCTION

North Africa accounts for the largest share of projects in Africa in terms of value at almost USD150bn. The powerhouse of the region, Egypt, is in the midst of a huge construction boom with several notable projects along the lines of power, transport, and oil worth over USD70bn.

Furthermore, its burgeoning urban population (currently at 43%), has driven the government to seek building a new administrative capital, using bilateral funding from China, along with other sources of foreign investments.

For Tunisia, growth in its construction sector is expected to expand with a forecast period of 2019-2023 by a CAGR of 7.3% in nominal terms, underpinned by the governments efforts to enhance industrial, energy, and utilities infrastructure through agreements and funding from multilateral sources like IDB, WB as well as the adoption of the PPP model.



POTENTIAL FOR INVESTMENT IN AFRICA

NORTH AFRICA

Unlike central Africa, these countries in this sub-region have already achieved significant industrialisation

❖ **ICT**

The sub-region is the most advanced in telecommunications and ICT development in Africa with an estimated broad-band penetration of c.65%, owing to the increased number of connected devices, emergence of digital services, and the impact of COVID-19.

Governments and telecom operators across the region have started working towards deploying 5G which should contribute to their smart city initiatives, Artificial intelligence, and massive IOT, and other transformative technologies.



POTENTIAL FOR INVESTMENT IN AFRICA

SOUTHERN AFRICA

Manufacturing, ICT and Renewable Energy are promising.



❖ MANUFACTURING

The share of manufactured exports in southern Africa remains the largest at 33%, on the back of improved transport infrastructure, quality of electricity supply, and pay and productivity, particularly in South Africa.

In Zimbabwe, key infrastructure projects such as improving road networks, construction of rail lines and the improvement of eight regional airports are expected to boost manufacturing. Meanwhile, countries like Mozambique and Zambia offer lower average costs of electricity in relation to Asian and Latin American counterparts, thus making them attractive destinations for investment in energy-intensive manufacturing processes.

We expect foreign industries will shift away from emerging countries like China to lower cost regions in Africa.



POTENTIAL FOR INVESTMENT IN AFRICA

SOUTHERN AFRICA

Manufacturing, ICT and Renewable Energy are promising.

❖ ICT

With plans to develop a joint digital development approach and an impressive Internet user penetration (at almost 50%), the region is poised to facilitate ICT benefits. Despite concerns of the global pandemic, investors set new investment records in South Africa, with private equity funds pegged at 3.2% of GDP, compared to the global average of 2.7%.

Investors are starting to fund a wide range of start-ups across businesses specializing in Healthcare, crafts, fintech, amongst others. For context, the country led the African fintech start-ups space with USD112mn in investments in 2020. In addition, the country is already home to Amazon and Microsoft, with these tech giants situating their data centres there.

While there are entrenched barriers to the adoption of technology in other parts of the region, it is expected that these countries will key into digital transformation agenda, supported by foreign investments.



POTENTIAL FOR INVESTMENT IN AFRICA



WEST AFRICA

West Africa's growth trails the average for Africa as a whole, due to downside prospects from its largest economy, Nigeria. However, there are some countries bucking the downward trend, such as Côte d'Ivoire, Ghana, and Senegal. These countries offer positive examples by improving their business environments and placing emphasis on diversifying their economies.

❖ RESOURCES

The region continues to benefit from its vast natural resources like Oil, minerals, and food commodities. In the mining industry, for instance, in countries like Ghana and Burkina Faso, there has been an influx of investment into the gold sector. For the latter, some key projects in the advanced stages are the Wahgnion, Sanbrado and Bomboré mines. Likewise, countries like Guinea (59.8million), and Nigeria (205million) own sizeable reserve base in Iron ore.

Gas investments are pegged to grow as one of the fastest in the energy sector, we identified gas reserves across countries like Nigeria (5,528bcm), Guinea (1,298.6bcm), Côte d'Ivoire (995.5bcm), and Ghana (796.1bcm), which should drive investments into the region. NLNG Train 7 will cost \$10bn, add 8 Million Tonnes(TPY) and create 12,000 direct jobs



POTENTIAL FOR INVESTMENT IN AFRICA

WEST AFRICA

❖ ICT

The region has a highly competitive IT landscape, primarily in countries like Nigeria and Ghana. Ghana is marked the second-highest data penetration rate and fastest-growing mobile money market in sub-Saharan Africa, backed by its government's ambition to digitize transactions as a means of formalizing the economy. The economy is catching up with a fast-growing ecosystem of tech parks, innovation hubs and a robust support infrastructure.

Its government has also highlighted the sector as a critical enabler to economic growth. Hence, this accelerated partnerships with the private sector local accelerators like iDEA (startup) and the Co-Creation Hub (CC-Hub). These have attracted foreign investors like Silicon Valley-based Y Combinator. Notably, Facebook launched NGHub in Lagos intending to provide a platform for startups to collaborate and innovate.



POTENTIAL FOR INVESTMENT IN AFRICA



EAST AFRICA

The region's economies are characterised by a booming growth, due to the transformation of its manufacturing sector that has started to bear fruits. The region boasts of a population of over 130 million alongside several appeals like its large single bloc market, and some comprehensive economic reforms based on its comparative and competitive advantage.

❖ MANUFACTURING

Although, the region has a relatively small market size, it has a strong manufacturing sector, buttressed by its infrastructural investments. An incentive for investors is the duty-free access to the US and European market under the AGAO (African Growth and Opportunity Act), as well as EU's Everything but Arms scheme.

In Rwanda, for instance, growth average is expected to double from 8.4% in 2019 to 16% by 2025, on the back of developed policies like National Industrial Policy and National Export Strategy, aimed at accelerating industrial and export manufacturing growth. More recently, World Bank report highlights Ethiopia as an attractive country due to suitable development policies, and relatively cheap and trainable workforce.



POTENTIAL FOR INVESTMENT IN AFRICA

EAST AFRICA



❖ CONSTRUCTION AND REAL ESTATE

The region leads the pack accounting for almost 30% of construction projects across the continent. This is mainly due to its ambitions to improve the state of infrastructural development. Djibouti efforts, for instance, stems from its 20-year plan that should transform the country into a logistics and commercial hub by developing new deep-water harbours and expanding the existing ports.

Notably, a railway and water pipeline to connect Djibouti and Ethiopia has been constructed. Ethiopia has also expanded the domestic railroads, and launched the construction of Africa's largest dam, tagged as the Millennium Dam.

Similarly, the infrastructure investments have led to construction of a USD3.5bn railway connecting Kenya's capital to the port of Mombasa. Recently, the country sought to create another port, termed the Lamu facility, the facility is expected to process 400,000 units of shipping containers, and would cost USD5bn to supplement the clogged Mombasa port.





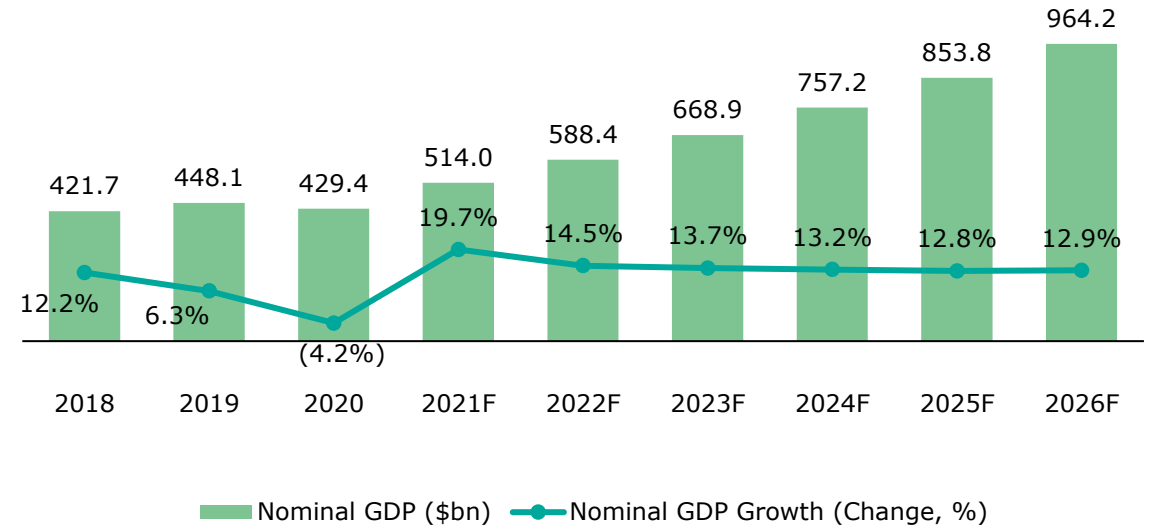
AFRICAN COUNTRIES OVERVIEW

NIGERIA

Overview

- A key regional player in West Africa, Nigeria is Africa's biggest oil exporter, and has the largest natural gas reserves on the continent. Oil accounts for over 80% of exports, a third of banking sector credit, and half of government revenues
- Nigeria's economy entered a recession in 2020, reversing three years of recovery, due to a fall in crude oil prices because of falling global demand, and spikes in risk aversion in global capital markets due to containment measures to fight the spread of COVID-19
- In 2020, overall real GDP is estimated to have shrunk by 3%, inflation rose to 12.8% from 11.4%, fiscal deficit widened to 5.2% from 4.3% reflecting pandemic-related spending pressures and revenue shortfalls
- The country entered the covid crisis with falling per capita income, high inflation, insurgency and bandit security challenges.

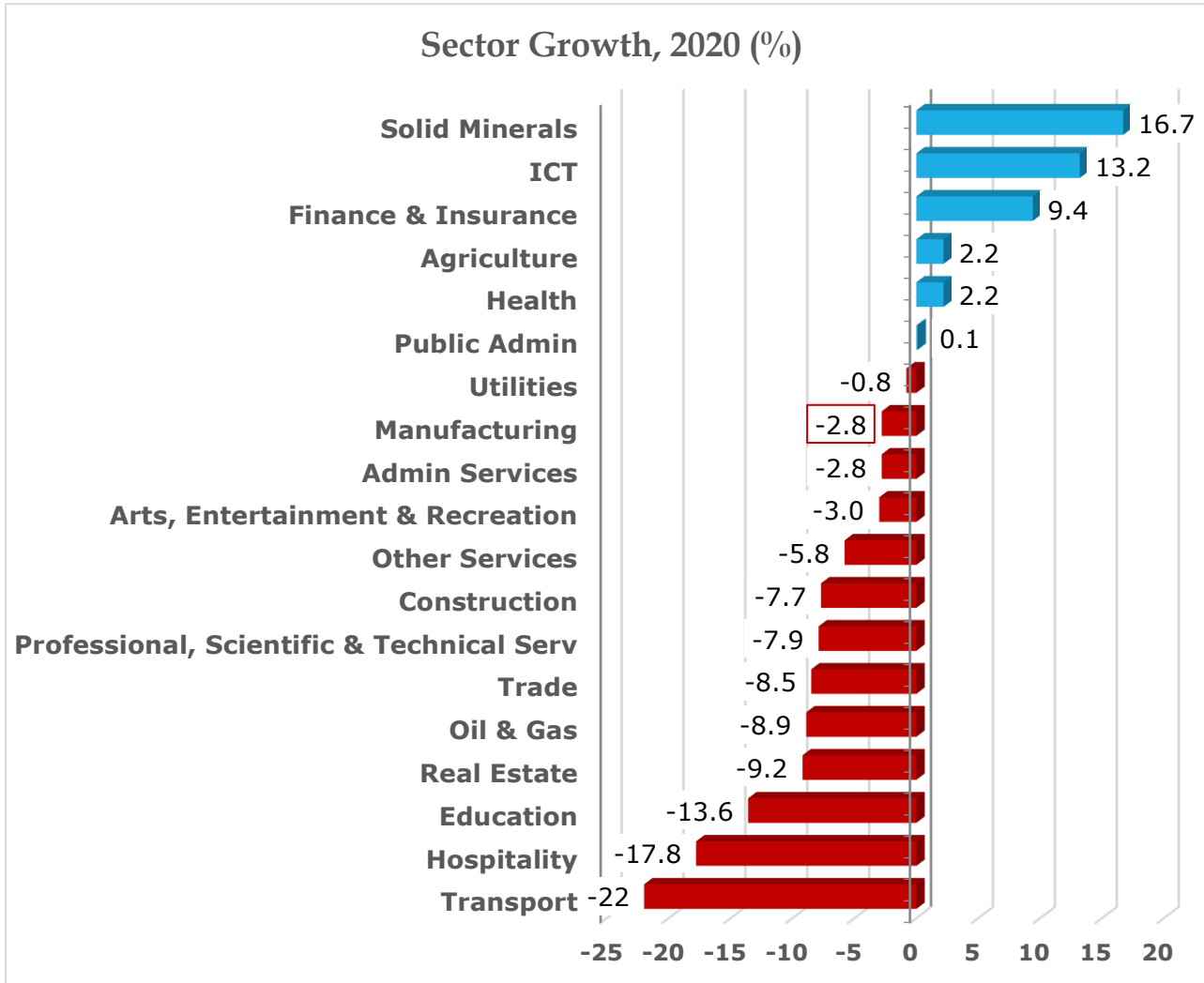
Gross Domestic Product



Geopolitical & Regulatory Environment

- A subdued global recovery and decarbonization trends are expected to keep oil prices low and Organization of the Petroleum Exporting Countries quotas in place, restricting oil-related activities, fiscal revenues, and export proceeds
 - Non-oil growth is also expected to remain sluggish, reflecting inward-looking policies and regulatory uncertainties. Stimulus measures outlined in the ESP and the Finance Act of 2020 could boost nonoil revenues
- The government has created new budget lines with monthly expenditure information on emergency funding, which are posted on the Ministry of Finance's Transparency Portal. The Bureau of Public Procurement has issued guidelines on COVID-19 emergency fund use

Growth Sectors and Opportunities



Source: Presidential Economic Advisory Committee

- Real GDP growth in 2021 is expected to turn positive at 1.5% and is expected to recover to its pre-pandemic level only in 2022
- Policy adjustments and reforms designed to shift the country from its dependence on oil and to diversify the economy toward private sector-led growth, and growth in the agriculture sector will set Nigeria on a more sustainable path to recovery
- Manufacturing growth outlook remains positive as the food and beverage sector slowly expands in response to the policy drive to develop domestic industries, but lack of access to reliable power will continue to hold the sector back. Also, growth in the nonoil industry and services would remain stable in a context of low investment levels, high unemployment, and high financing costs
- Growth in the services sector, which accounts for over 50 percent of the economy, will remain dominated by the sustained expansion in telecommunications
- Solid Minerals, agriculture, ICT and health sector are key growth sectors with huge investment potential

NIGERIA'S BUSTLING FINTECH SPACE



- ❑ Nigeria is home to over 250 start-ups, the largest in the African continent. Between 2014-2020, the fintech scene raised over USD1bn in funding.
- ❑ Nigeria presents massive market opportunity, owing to its growing youth population (estimated at 65%), a predominantly cash-based economy (over 95%), as well as a large internet penetration placed at 56%.
- ❑ Additionally, the country has a large unbanked population, estimated at 121mn, even as banked citizens have limited access to savings and credit, presenting a significant opportunity for Alternative Lenders and Incumbent Banks.
- ❑ Payment solutions currently dominate the fintech market, accounting for over 20% of banking revenue streams, thanks in part to the central bank's financial inclusion push and favorable regulatory rules. Focal points have begun to shift towards sub-segments like consumer lending, and asset management. Although, across all segments, Insurance, remains largely untapped, with less than 15 Fintechs estimated to be playing in this space.
- ❑ Recent regulatory measures have created more flexibility and opportunity for Emerging Fintech players to accelerate innovation and further financial inclusion. Case in point, is the new licensing requirements for Payment Service Providers (PSPs) in Nigeria, which prevents unscrupulous persons from handling huge sum of funds.

NOTABLE FINANCING IN NIGERIA'S FINTECH SPACE

Company	Selected Investor (s)	Amount (\$ in mn)	Fintech Sector
Interswitch	VISA	200mn	Payments
Paystack	Stripe	200mn	Payments
Flutterwave	DST Global, Green Visor Capital, Greycroft Capital, Tiger Management, and 9yards Capital.	225mn	Payments
Branch	Foundation Capital, B Capital, Andreessen Horowitz, Formation 8	274mn	Payments & Lending
Cowrywise	Quona Capital, Tsadik Foundation, Gumroad, syndicate of Nigerian angel investors	18mn	Savings & Investment
KUDA	Target Global, Entrée Capital, SBI Investment	10mn	Digital Bank

ALTERNATIVE INVESTMENT CLASSES IN FINTECH



Agriculture

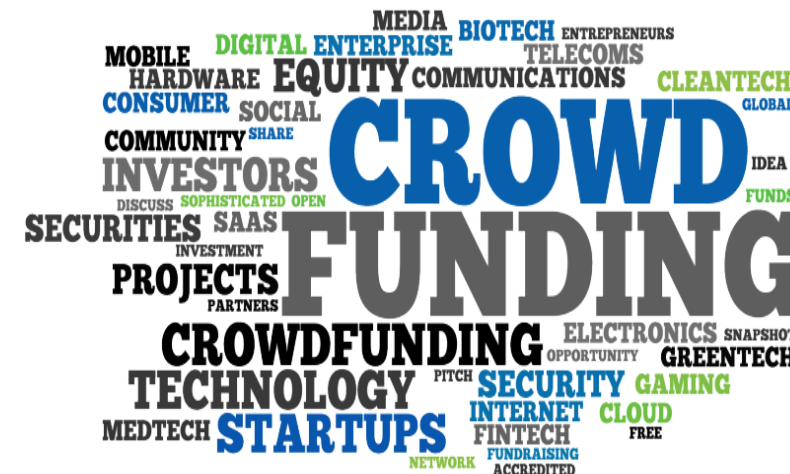
Fintechs also facilitate investments in Agric start-ups. Agric-tech startups have re-invented the wheels of farming business, coupled with its lower risk exposures, significantly higher ROI to investors.

Ongoing efforts to diversify the economy's revenue, demand-side pressures fueled by a burgeoning population, and estimated arable land availability of 60 million hectares are key drivers for investments in Nigeria



Healthcare

Nigeria's healthtech industry gained more prominence in 2020, following the advent of the COVID-19 pandemic in 2020. Funding activity surged over 400% to USD32.5mn, compared with USD6.3mn in 2019. The health sector roadmap unveiled in 2020 by the Minister of Health shows encouraging signs that will boost investment opportunities.



Crowdfunding

Crowdfunding startups have gained some traction, chiefly driven by local agri-tech startups that pool funds from ordinary investors to resolve agricultural financing needs.

Recent Securities and Exchange (SEC) guidelines on crowdfunding are expected to decentralize the crowdfunding process, establish a limit on individuals' investible assets, and requires existing crowdfunding companies to register their business within a certain time frame.

EGYPT

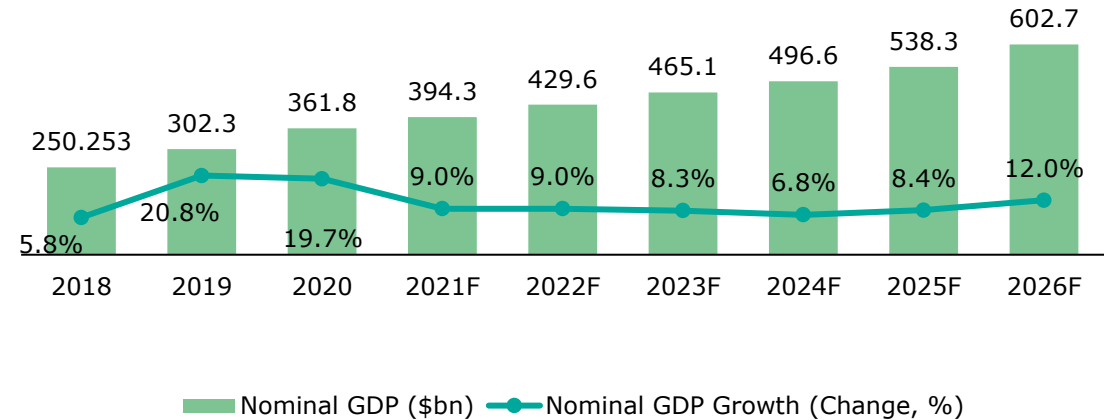
Overview

- With over **80 million people**, Egypt is the world's most populous Arab country and has been an important center of trade and communication for Asia, Africa, and Europe
- The adverse repercussions of the pandemic have undermined the recent progress in Egypt's macroeconomic and structural reforms, shedding light on longstanding challenges
 - Sluggish private sector activity and job-creation, underperforming non-oil exports and Foreign Direct Investment, below-potential revenue mobilization, and an unfavorable budget structure, with limited allocations to key sectors, such as health and education
- Real GDP growth declined from 5.6% in FY2018/19 to 3.6% during FY2019/20
- Key exposed sectors, such as tourism, manufacturing, the Suez Canal and oil and gas extractives continue to be impacted by travel restrictions, the slump in demand and disruptions to domestic and global supply chains and trade

Growth Sectors & Opportunities

- The growth impact of the COVID-19 crisis has so far been less severe than expected, as **strong consumption helped offset weak tourism and investment**. Under the scenario that the COVID-19 vaccine is steadily rolled out through 2021 and early-2022, Egypt is expected to slowly start regaining its pre-pandemic growth momentum by FY2021/22/23
- Considering the large footprint of the state and the dominant position of oil & gas in Egypt's economy, strengthening the non-oil private sector could unleash additional economic momentum as it appears to hold significant untapped growth potential
- The strategy that will drive this growth involves boosting national industries and increasing exports from small enterprises which involves developing Upper Egypt and various border areas, as well as supporting projects in the Suez Canal Economic Zone
- **Domestic industrialisation and the localisation of technology to be bolstered to reduce the gap between imports and exports**

Gross Domestic Product



Geopolitical & Regulatory Environment

- External market conditions have improved with a strong return of portfolio inflows since the approval of the IMF's Stand-By Arrangement (SBA)
- The government responded with measures like expanding cash transfer social programmes, supporting irregular workers, **offering low interest loans for consumer goods and lowering energy costs to mitigate the pandemic's short-term fallout**
- A new guarantee fund for mortgages was set up and tax relief for real estate and subsidised loans were made available to the industry and tourism sectors
- The COVID-19 shock shifted the government's focus back to macro stabilization efforts. The renewed IMF programme includes a limited structural component to keep up momentum and further develop competition and governance reforms
- Removing trade barriers could be instrumental in boosting Egypt's competitiveness

SOUTH AFRICA

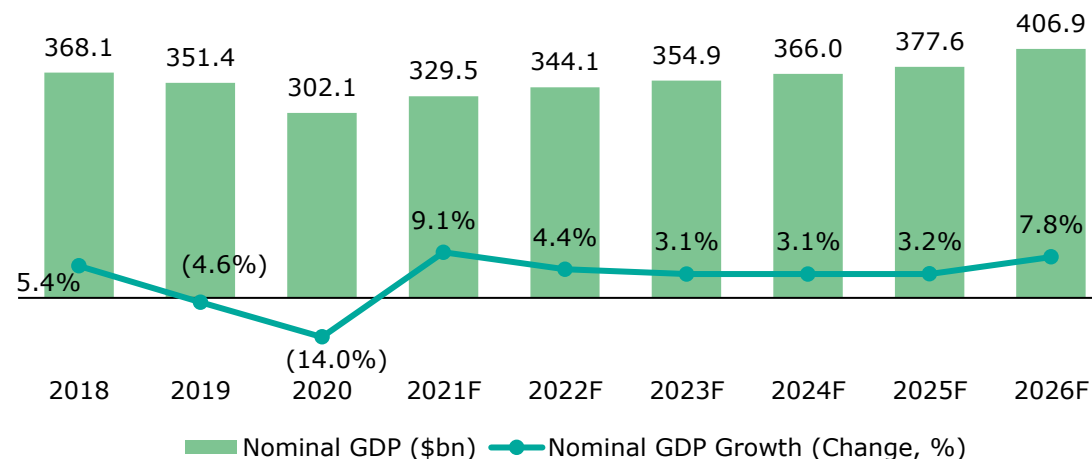
Overview

- As a strong democracy and sub-Saharan Africa's most developed economy, South Africa plays a key economic and political role on the African continent
- The economy contracted by 7% in 2020, as the pandemic weighed heavily on both external demand and domestic activity as the government implemented containment measures, increasing poverty by 2 million people living below the poverty line. About 2.6 million people have lost their jobs since March 2020, bringing the unemployment rate to 30.8% in September 2020 from 23.3% in December 2019
- SMEs across South Africa which represent more than 98 % of businesses, employ between 50-60% of the country's workforce across all sectors, and are responsible for a quarter of job growth in the private sector have also been severely impacted by COVID-19
- Sectors worst affected include the services sector (for example, private accounting and legal firms), tourism, hospitality, and retail

Growth Sectors & Opportunities

- The persistence of the pandemic at the global and domestic levels will continue to constrain the economic recovery during the first half of 2021
- The South African construction industry is expected to grow by 6.1% in real terms in 2021 - up from a contraction of 16.5% in 2020 which was severely impacted by the pandemic and hit hardest in terms of employment
- SMEs show huge potential with the support from Government and financial institutions to help recover post pandemic. SMEs in South Africa are working hard to be successful and overcome the economic crisis by optimizing the use of new technologies to enhance their reach and efficiency at lower costs
- Investment in South African telecom companies such as Telkom and Cell C is likely to increase as the COVID-19 pandemic has made the importance of communications technology clear

Gross Domestic Product



Geopolitical & Regulatory Environment

- **To help the economy recover from the crisis, in June 2020, the government announced a 10-year infrastructure investment plan worth ZAR2.3 trillion (US\$124.7 billion) with investments planned in the housing, energy, agriculture, transport, water and sanitation and digital infrastructure sectors**
- In October 2020, the government rolled out an ambitious ZAR1.1 trillion (US\$60 billion) Economic Reconstruction and Recovery Plan
- It has four priority interventions: infrastructure investments; expansion of the energy generation capacity; job creation to support livelihoods; and industrial growth
- The South African Reserve Bank has continued to fulfill its constitutional mandate to protect the value of the local currency by keeping inflation low and steady. Monetary policy tightening aimed at maintaining low and stable inflation could at the same time reduce consumption inequality over a 12-18 month horizon

KENYA

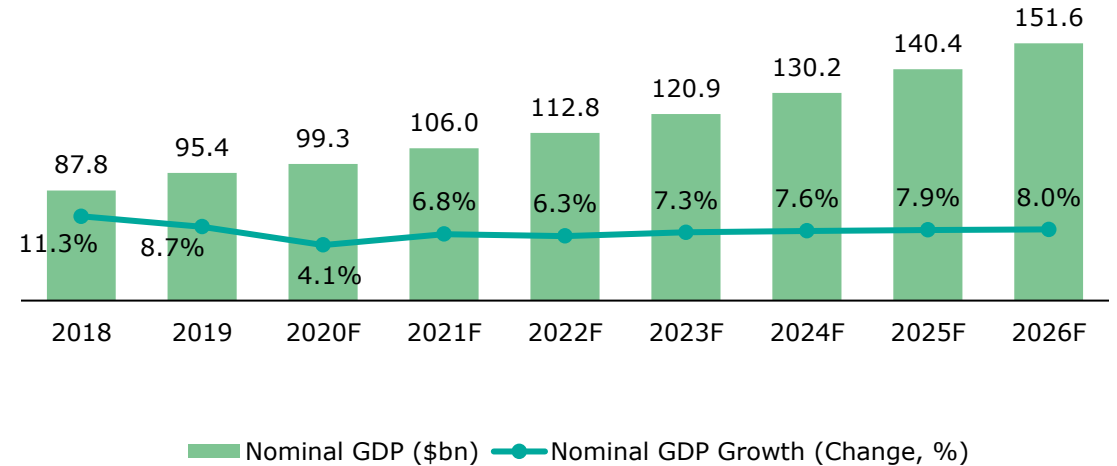
Overview

- As the largest market-based economy in the EAC and COMESA in terms of GDP, Kenya has positioned itself as a major economic power in sub-Saharan dubbed as the commercial “gateway” to East Africa
- Kenya’s economy has been hurt by the COVID-19 pandemic with real GDP growth decelerating to 1.4% in 2020 from 5.4% in 2019. The financial sector was affected by spillover effects from major sectors; capital markets were the hardest hit
- The economic and social disruptions induced by the COVID-19 pandemic have eroded progress in poverty reduction in Kenya, forcing an estimated two million more Kenyans into poverty, and nearly 900,000 lost their jobs
- Agricultural output grew robustly, but manufacturing and many services subsectors (e.g., tourism, education) were severely disrupted

Growth Sectors & Opportunities

- The growth outlook is positive as the economy is projected to grow by 5.0% in 2021 and 5.9% in 2022, although it remains highly uneven across sectors (with some, such as tourism, remaining under severe pressure)
- The downside risks include a weaker than expected global economic recovery undermining Kenya’s export, tourism and remittance inflows, renewed disruption to domestic economic activity from the pandemic, fiscal slippages, and weather-related shocks
- The growth of Kenya’s ICT (Information and Communication Technology) sector has become a significant driver of economic development and job creation in all areas and the infusion of ICT in the transformation of the transport sector has helped Kenya’s reputation in Africa
- Boosting domestic manufacturing is one of the main priorities to steer Kenya to sustainable economic growth as it has huge potential to attract investment, create employment, stimulate growth, and linkages to all other sectors of the economy

Gross Domestic Product



Geopolitical & Regulatory Environment

- In response to the crisis, the government has deployed both fiscal and monetary policies to support the healthcare system, protect the most vulnerable households, and support firms to help preserve jobs, incomes and the economy’s productive potential
- The government has developed a medium-term reform program to address the challenges, articulated by the fiscal framework laid out in the recent Budget Policy Statement
- In addition to aligning the country’s long-term development agenda to Vision 2030, the President outlined the “Big Four” development priority areas for his final term as President prioritizing manufacturing, universal healthcare, affordable housing, and food security
- The Government of Kenya requested the United Nations Industrial Development Organization (UNIDO) to roll out its "Programme for Country Partnership" (PCP) model in Kenya as a "self-starter country" to accelerate inclusive and sustainable industrial development and recovery post-COVID-19 by focusing on sectors with high growth potential

ETHIOPIA

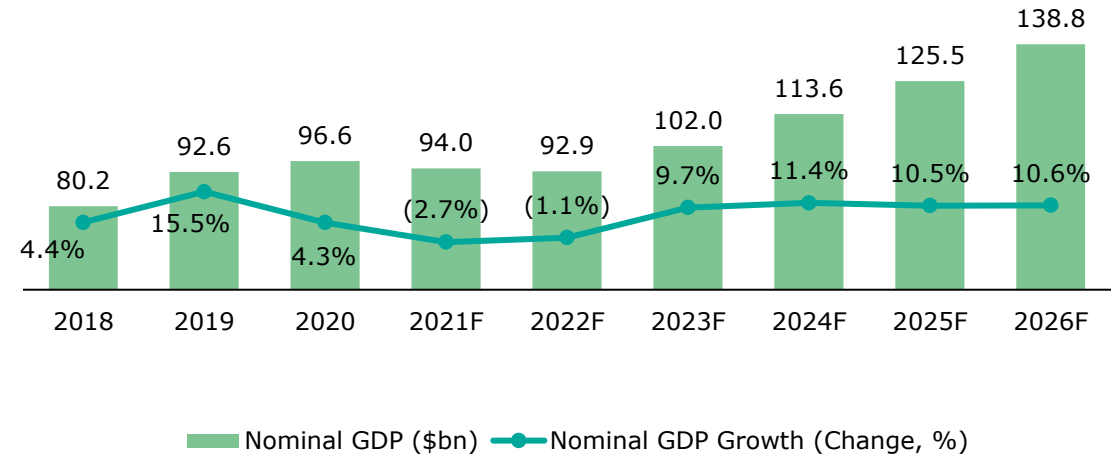
Overview

- With more than 112 million people (2019), Ethiopia is the second most populous nation in Africa after Nigeria, and the fastest growing economy in the region
- Its real GDP growth slowed down to 6.1% in 2019-20 and has experienced a collapse in external demand since April 2020 due to the pandemic
- Agriculture was not affected by the COVID-19 pandemic and its contribution to growth slightly improved in 2019/20 compared to the previous year
- Despite the 4.1% decline in merchandise exports, excluding gold, during the first half of the current fiscal year, most items (except garments) started to recover during October-December 2020 and services exports started to recover as well
- Ethiopia tops East Africa in attracting FDI with almost half of the inflows, but it has been severely hit, with inflows declining by 20% in FY20, contributing to weakening reserve levels

Growth Sectors & Opportunities

- In Ethiopia, the adverse impact of the COVID-19 pandemic on economic activity is expected to continue in FY21, prior to experiencing a rebound in FY22 and beyond. The economic impact of COVID-19 includes the increased price of basic foods, rising unemployment, slowdown in growth, and increase in poverty
- The government aims to expand the role of the private sector through foreign direct investment and industrial parks to make Ethiopia's growth momentum more sustainable
- The strategic sectors for investment, as identified by the government, are agriculture, textile and apparel, leather and leather products, pharmaceuticals, agro-processing, ICT, power, mining, and tourism
- To take full advantage of the ambitious telecom sector reforms, it will be important to implement the new Proclamation on e-Transactions and to strengthen the regulatory framework to facilitate digital financial services

Gross Domestic Product



Geopolitical & Regulatory Environment

- Ethiopia has seen the largest ratings drops as COVID-19-induced challenges combine with escalating ethnic tensions in the context of a delayed election. This could negatively impact growth through lower foreign direct investment, tourism and exports
- The government has launched a new 10-year perspective plan which will run from 2020-21 to 2029-30 aiming to sustain the remarkable economic growth achieved under the Growth and Transformation Plans, while putting more emphasis on the private sector
- Response measures introduced by the government, including tax deferrals and waivers, liquidity provision to commercial banks, measures to ease access to credit and loan refinancing, logistics facilitation and food distribution measures, have contributed to cushioning some of the impacts from the crisis
- The Government is to be commended for having kept advancing its Homegrown Economic Reform Agenda despite COVID-19 which will ensure a resilient recovery post COVID-19

RWANDA

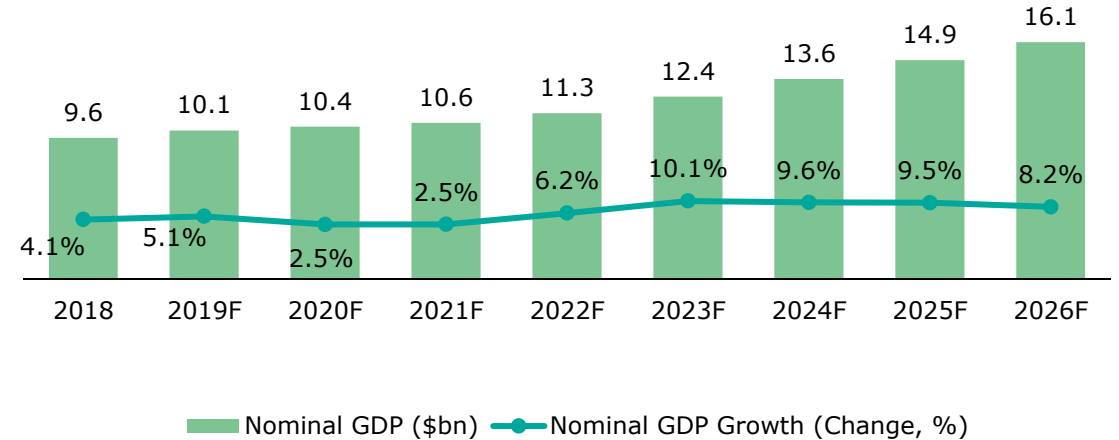
Overview

- The Rwandan economy is mostly dominated by the informal sector, and a majority of the population is employed in this sector amounting to 89.5% of total employment
- The Rwandan economy has fallen into its first recession due to the COVID-19 pandemic and could potentially compromise years of gains in poverty reduction due to closure of businesses
- The country's gross domestic product (GDP) is estimated to have dropped by 0.2% in 2020, compared to a projected expansion of 8% before the COVID-19 outbreak
- It is estimated that due to the lockdown, social distancing, and increased costs associated with the pandemic, the poverty headcount is likely to rise by 5.1% (more than 550,000 people) in 2021, with more than 80% of the new poor in rural areas
- The pandemic has disrupted international flows of goods and services with exports and tourism taking a strong hit amid disruption in international trade and travel

Growth Sectors & Opportunities

- The crisis calls for a rebalancing of the growth strategy, with more emphasis on rural related activities and greater emphasis on regional integration to reduce vulnerability to international shocks
- The private sector will need to help spur digitization in the country as increasing affordability of digital devices and services can increase digital adoption and drive growth
- Private sector-led digital economy growth will also need to be fueled by growing private sector investment in digital enterprise and human capital through increased technology adoption and support for innovation that can enhance productivity, spawn new services and create new off-farm jobs
- The informal sector development is key in prompting post-COVID-19 socioeconomic recovery. The Government needs to support and prioritize investment in this sector to improve and formalize it towards sustainable development and recovery post pandemic

Gross Domestic Product



Geopolitical & Regulatory Environment

- Government of Rwanda initiated a swift and robust response to the pandemic, with the adoption of the Economic Recovery Plan (ERP) estimated at US\$900 million over 2019-2021
- The recovery plan aims to scale up social safety net programs for the most vulnerable, build key infrastructures, and support strategic enterprises, including SMEs
- Rwanda experienced the largest improvement in STPRI (Short Term Political Risk Index) score in Africa, increasing from 64.2 to 68.5 reflecting President Paul Kagame's dominant political position and policy stability, which supports continued economic growth and a stable business environment
- The National Bank of Rwanda (BNR) instructed commercial banks to ease loan repayment conditions to borrowers, introduced an Extended Loan Facility to banks of RWF 50 billion
- Disruptions to trade and critical supply chain networks are taking effect: Rwanda's imports from China decreased 23% from January to February

CÔTE D'IVOIRE

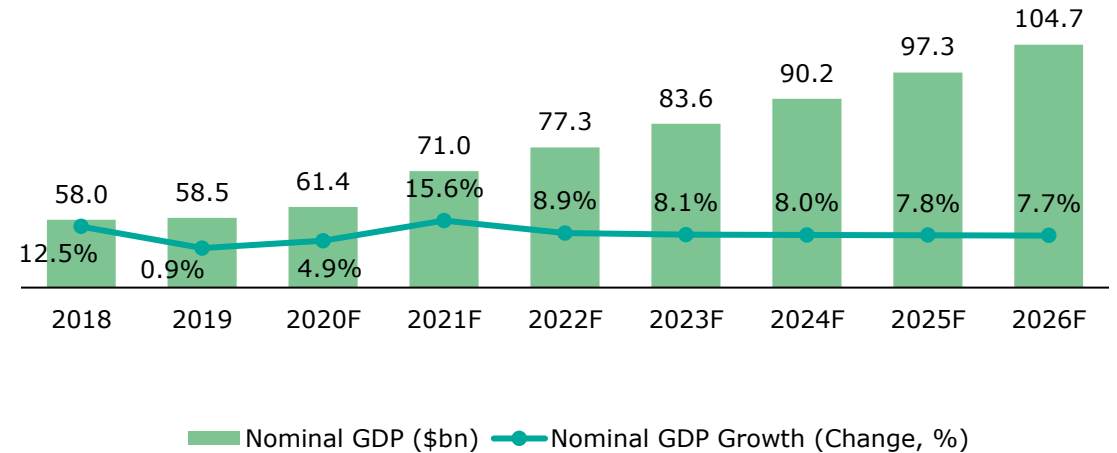
Overview

- As the world's top exporter of cocoa and raw cashew nuts, a net exporter of oil, and with a significant manufacturing sector, Côte d'Ivoire is the largest economy in the West African Economic and Monetary Union
- However, the global health situation adversely affected Ivorian households and businesses and slowed the real GDP growth rate to 1.8% in 2020
- Poverty fell sharply from 46.3% in 2015 to 39.4% in 2020, but this decline was confined to urban areas as rural poverty levels rose by 2.4% over the same period
- Overall, 37.7% of businesses were forced to close (2.4% permanently and 35.3% temporarily) and nearly 35% of export firms and 54% of majority foreign-owned firms closed their doors
- The crisis has the potential to weigh on investment plans and reduce demand for Ivorian exports

Growth Sectors & Opportunities

- Robust domestic demand and stable exports are expected to drive the country's economic recovery in 2021. While the construction sector and public investments were the main drivers of growth in 2019, the manufacturing sector, services, and exports are expected to support the economic turnaround in 2021
- Moves made to diversify the economy away from a reliance on raw exports are already paying dividends, as are improvements made to the investment environment in sectors with untapped potential, such as mining
- There is a pressing need to support SMEs, both structurally and in terms of the business cycle, to address underlying issues and help them cope with the economic fallout from the Covid-19 crisis
- Digitalisation has been well adopted. Sectors such as banking, insurance and commerce are also gradually digitalising and making their products accessible online

Gross Domestic Product



Geopolitical & Regulatory Environment

- Initiatives such as the Social Government Programme 2019-20, which aims to reduce poverty by raising formal employment and boosting productivity across nascent sectors such as manufacturing, will be key to the nation's development
- The national investment policy, which was adopted in 2019, is a framework built around the principles of promoting a conducive and transparent business climate, modernising the legal framework for investment, adopting best international practices and standards, respecting the environment, and ensuring socio-cultural cohesion
- Another national measure was the establishment of a CFA170bn solidarity fund to provide humanitarian support to the country's most vulnerable households
- As the contours of political community and citizenship remain contested, achieving political stability and social integration within Côte d'Ivoire is still the main challenge for further peaceful transformation

DJIBOUTI

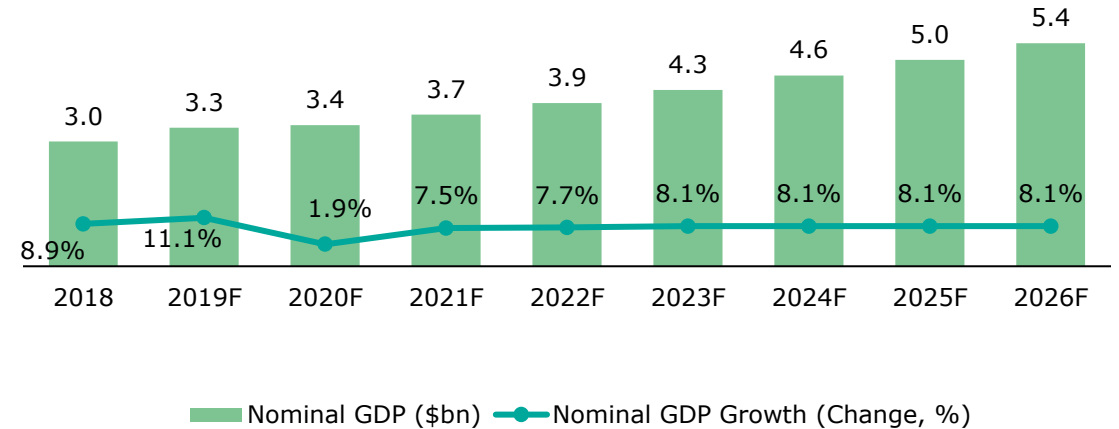
Overview

- An important entryway to the Horn of Africa, Djibouti's strategic location at the confluence of the Red Sea and the Indian Ocean, combined with its historic links to Europe, the Arabian Peninsula, East Africa and Asia, make it a unique crossroads for international culture and trade
- With less than 1,000 square kilometers of arable land (0.04% of its total land area) and average annual rainfall of only 130 millimeters, it depends almost completely on imports to meet its food needs
- Economy has so far been less affected by the pandemic than expected. Output growth slowed down to 0.5% in 2020 but remained positive, thanks to buoyant free zone re-exports and exports of transportation, logistics, and telecommunication services to and from Ethiopia
- Inflation remained low at 1.8% in 2020, down from 3.3% in 2019 but extreme poverty increased slightly to 14.7% in 2020

Growth Sectors & Opportunities

- The country's medium-term economic outlook remains positive despite the impact of COVID-19: Output growth is set to reach 5.5% in 2021 and average 6.2% over 2022 and 2023, as free zone re-exports, as well as economic activity in, and exports of, transportation, logistics, and telecommunication services to Ethiopia rebound
- Djibouti's ongoing infrastructure projects, such as the construction of a ship repair yard, a new oil jetty at the Port of Damerjog and new hospitality infrastructure are also expected to boost growth and job creation, barring protracted delays in these new projects
 - The shipyard's repair and maintenance capabilities are expected to attract more ships to Djibouti, giving the country's main port a competitive advantage over neighboring ports, and cementing its position as a regional trade and logistics hub
- Free zones and the expected return of FDI inflows would also support economic recovery

Gross Domestic Product



Geopolitical & Regulatory Environment

- The United States, France, China and Japan, among other countries, have maintained military bases in Djibouti for several years. Saudi Arabia and India could soon join their ranks
- With threats like Somali pirate ships posing a challenge to these global supply chains, Djibouti's stability in a crisis-ridden region is a welcome anchor point for many world powers
- Djibouti's national debt has risen sharply in recent years, reaching about 70% of its present GDP. The government has invested the borrowed money in extensive infrastructure projects, including the railroad line between Addis Ababa in Ethiopia and Djibouti's capital, Djibouti city. The funds have also gone into investing in the port and creating a special economic zone
- A return to fiscal consolidation is not expected soon, as the authorities recently announced additional targeted measures to support businesses and households, including a halving of the minimum flat-rate tax and tax exemptions to the ICT, transport and tourism sectors

TANZANIA

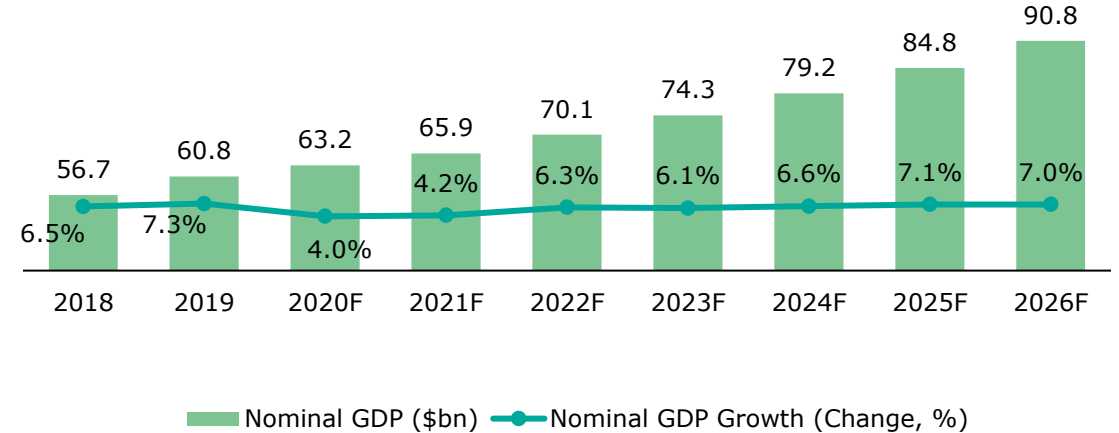
Overview

- One of East Africa's largest economies and most popular tourist destinations, Tanzania is reputed for its stability in the region and an attractive centre for trade due to its strategic location along the continent's east coast
- Growth slowed to 2.1% in 2020 from 6.8% in 2019 because of COVID-19, while inflation fell to 3.3% in 2020 from 3.5% in 2019, due to a steady decline in food prices
- The number of people living below the poverty line has increased as the pandemic caused weakness in sectors with high employment potential, notably agriculture and manufacturing
- The global economic slowdown has adversely affected export-oriented industries, especially tourism and traditional exports, and caused a drop in foreign investment
- Gold has been the sole export to benefit from the crisis, as international gold prices rose sharply between 2019 and 2020

Growth Sectors & Opportunities

- The economic outlook is positive, with real GDP projected to grow 4.1% in 2021 and 5.8% in 2022, due to improved performance of the tourism sector and the reopening of trade corridors
- Five priority areas for achieving Tanzania's development goals are: (i) productive investment; (ii) human capital development; (iii) agricultural transformation; (iv) digital technology; and (v) public sector capacity-building, with capacity to leverage partnerships with the private sector
- Agriculture accounts for the largest share of employment, its productivity can be increased through investments in rural infrastructure, production systems, and distribution networks
- Bolstering the sector's resilience to natural shocks could facilitate the growth of a labor-intensive manufacturing sector that utilizes excess rural labor and adds value to agricultural commodities

Gross Domestic Product



Geopolitical & Regulatory Environment

- COVID-19-related safety measures and while the government was accused of restricting political freedoms of opposition parties and civil society groups, these repressive measures were not justified with reference to the pandemic
- Major factors constraining private investment in the ICT sector in Tanzania include underinvestment in backbone network infrastructure; lack of an effective Open Access Policy; constrained independence and low capacity of Tanzania Communications Regulatory Authority; and low levels of income, digital literacy and domestic market size
- The Tanzanian government has proved their commitment to macroeconomic stability, which needs to be maintained and strengthened, while making further efforts to boost domestic revenue mobilization, improve efficiency of public expenditures, and mobilize resources for development without jeopardizing fiscal sustainability

GHANA INVESTMENT OPPORTUNITIES - AGRICULTURE

The Agriculture sector contributed about USD 13.3 Billion to the country's GDP in 2020 and this constitute about 19% share. It was the only sector which recorded a quarter on quarter growth in 2020 amidst the COVID-19 Pandemic.

Ghana is among countries that exported the highest dollar value worth of pineapples during 2019 worth \$31.6 million.

Commodity	Description	Estimated investment
Pineapple	Establishment of 50,000 hectares of processing facilities within the Bui area. Scope Setting up new processing factories or upgrading operations of existing small-scale factories to process the fresh pineapples into juice concentrates Locations Aburi-Nsawam, Bui Area, Awutu	USD 1-5 Million
Soya Bean	Strategic options include the large-scale cultivation and processing of soya into soya milk, soya oil and poultry and fish feed. Location Bono Area and Northern Ghana	USD 1-3 Million
Cotton & Textiles	Collaboration with China National Textile and Apparel Council, Elmwood Finance to produce cotton and textile in the northern Savannah zone.	USD1 Billion (CNTAC have pledged USD 300mn)
Cocoa Processing	Ghana exports about 800,000 tonnes of cocoa annually and the investment opportunity is to process 50% of this exports to finished including cocoa brandy, wine, gin biscuit etc	USD 1-3 Million

GHANA INVESTMENT OPPORTUNITIES- AGRICULTURE CONT'D

Commodity	Description	Estimated investment
Banana	Moonlight Fresco Ltd a banana producing company seek potential investors to develop more than 2million 18 kg palletized boxes of bananas by close of year 2022 to be exported to the EU market Farm Locations: South Tongu, Ada East & West	USD 2-5 Million

GHANA INVESTMENT OPPORTUNITIES- CONSTRUCTION

The Construction sector contributed about USD 4.13 Billion to the country's GDP in 2020 and this constitutes about 5.9% share.

Projects	Description	Estimated investment
Tamale Airport City & industrial Park	The project aims to develop service and logistics capabilities in the airport area, expand services and air travel, stimulate industries and provide first class residential accommodation and tamale as a logistic hub and gateway to the Sahel.	USD 1.5 Billion over 8years
BUIPE Waterfront City	Project involves the development of a 1000 hectare multi-purpose port and Special Economic Zone (SEZ) in Buipe with the following Components-Warehouse & Logistics complex, Agro processing industries, truck terminal, 70MW solar power farm, oil and Gas storage	USD 1Billion over 8-10years
Bolgatanga Dry port & Free Trade Zone	Bolgatanga Free Trade Zone is proposed in anticipation of the growth in border trading and logistics between Ghana and Burkina Faso	USD 50-100 Million

GHANA FDI INFLOW

Total investment inflows peaked USD2,796.49 million in 2020, with a total FDI value of USD2,650.97 million for Ghana. The FDI value of USD2,650.97 million illustrates a significant increase of 139.06% over the FDI value of USD1,108.93 million recorded in 2019.

Major Sectors with FDI allocations

- Manufacturing: USD 1,270.53 million
- Services: UDS 656.19 million
- Mining: USD 424.32 million

GHANA NOTABLE PROJECTS IN 2020

- ❖ **EPL Power Operations Limited:** This is a joint venture between the Netherlands and Ghana with total estimated cost of US\$ 238 million. It entails operation and maintenance of bridge, power project and related activities.
- ❖ **Chirano Gold: With estimated cost of US\$ 231.05 million, this project entails the exploration of minerals.**
- ❖ **Matrix Industries.:** This project involves the manufacturing of paper products, aluminum products and packaging of products. The project is a Joint Venture between India and Ghana and is estimated at US\$ 11.4 million.
- ❖ **Rainbow Paints Limited: A Joint Venture project between Kenya and Ghana involved in manufacturing of paints, paints coating and its related products. Its estimated cost is estimated cost of US\$ 4.2million.**
- ❖ **Magnate Precious Metals Limited:** This is a Joint Venture (China and Ghana) project entailing the export of gold and other precious metals. The total estimated value is US\$ 2.6 million.
- ❖ **K-Frontiers Limited:** The project activity entails general trading, I.T services and real estate development. It is a wholly owned Nigerian project with estimated cost of US\$ 2 million.
- ❖ **Karida Agro Trading Company Limited:** The project involves the importation and sales of agro chemicals, farm machinery and general agriculture. The total estimated cost is US\$ 1.5 million.
- ❖ **Sentuo Oil Refinery Limited: This is a Chinese manufacturing company with total estimated cost of US\$700 million. Their activities involve refining crude oil.**
- ❖ **One Rand Group Ltd: A South- African manufacturing firm with an estimated project value of US\$ 240 million involved in the manufacturing of real estate material.**

GHANA - NOTABLE PROJECTS IN 2020 CONT'D

- ❖ **Cardinal Resources Ghana Limited:** This is a wholly owned Australian gold mining company with estimated cost of project at US\$24.8 million.
- ❖ **Visionfund Ghana Micro Credit Limited:** An American project involved in the service of lending money. Its estimated cost of project is US\$9.1 million.
- ❖ **Tiast West Africa Company Limited:** This is a wholly owned Chinese company involved in agro- processing and manufacturing of food. Its total estimated cost is US\$5.4 million.
- ❖ **Bonza Fields Ghana Limited:** The project activity entails mining and civil engineering services. It is a wholly owned Chinese project with estimated cost of US\$6.65 million.
- ❖ **Mafricom Ghana Limited:** The project involves general trading of commodities, processing and manufacturing of dairy products. The total estimated cost is US\$3.8 million.

GHANA - 2020 VENTURE CAPITAL INVESTMENTS

According to Startup list Africa, Ghana ranked in the top 5 of VC investments in Africa with an estimated investment value of 90mn in 2020, and has attracted a total of \$200mn over the past 5 years in start up investments. Majority of investments has been within the financial technology sector.

- Notable VC investments within the past 2 years have been:
 - ✓ Chipper Cash raised \$30mn Series B Funding round led by Ribbit Capital with participation of Bezos Expeditions
 - ✓ Ghanaian healthtech startup Mpharma raised \$17mn in a funding round led by CDC Group, UK's development finance arm, with investors including Breyer & Dompe Holdings.
 - ✓ Zeepay, a Ghanaian fintech start-up secured a seed round worth US\$940,000 from Goodsoil VC, a venture capital firm based in London focused on accelerating the growth of tech startups in Sub-Saharan Africa and the UK.
 - ✓ BezoMoney, an Accra based fintech startup also secured a seed round worth US\$200,000 from Goodsoil.
 - ✓ Africa Foresight Group, a Ghanaian based talent network company raised \$700,000 in seed funding in a round led by Consonance Investment Managers and GFH Holdings to support expansion plans.
 - ✓ AppsNmobile, a Ghanaian based fintech startup has secured a \$1mn investment form Oasis Africa VC fundBoxConn raised \$100,000 pre-seed funding from MEST in September 2020
 - ✓ Heny.app raised \$100,000 pre-seed funding from MEST



**REMARKS ON KEY DRIVERS
OF INVESTMENT/BUSINESS
SUCCESS IN NIGERIA &
AFRICA**

KEY DRIVERS OF INVESTMENT/BUSINESS SUCCESS IN AFRICA AND EMERGING ECONOMIES

- ❖ **Africa's emerging economies still present opportunities for global business growth, manufacturing, minerals prospecting, agriculture, retail and distribution business. Nigeria, Ethiopia, DRC, Egypt, SA, Kenya & Tanzania will soon hold half of Africa' population and will be natural growth poles for retail business**
- ❖ **Key value drivers for investment and business success in Africa will majorly centre around liquidity and access to finance/capital, customer base, margins and costs, infrastructure, people/skilled manpower, security and regulatory environment**
- ❖ **In making the investment decision you must undertake risk evaluation and considerations of the key drivers of success in respective emerging African Economies**
- ❖ **Ease of Doing Business Index highlights risk factors to consider before investment decisions despite identifying the growth sectors and potential in a particular Country (Recommended: Kenya, SA, Cote d'Ivoire, Ghana, Nigeria & Ethiopia)**
- ❖ **Nigeria growth sectors in 2020 were Solid Minerals, ICT, Finance & Insurance, Agriculture and Health. There are still good prospects for investments in these sectors subject to conducting in-depth market analysis to understand the competitive dynamics and undertake risk analysis on the key drivers. Inflation rate is currently 18.12% and MPR 11.5%. Nigeria's financial and commercial hub - Lagos State has 120 active concessions and opportunities in Healthcare, Housing, Management and Tourism. Nigeria's 2020 Ease of Doing Business ranking in Africa is 21 and World ranking is 131.**

KEY DRIVERS OF INVESTMENT/BUSINESS SUCCESS IN AFRICA

CONT'D

- ❖ **Kenya's ICT (Information and Communication Technology) sector growth has become a significant driver of economic development, with finance, tourism and healthcare sectors riding off ICT for growth. 60 special economic zones with myriad of incentives for FDI. Kenya has 5.87% inflation rate and 7% MPR. Kenya's 2020 Ease of Doing Business ranking in Africa is 4/53 and World ranking is 56/190. Downsides: Weak public finance could affect the tax regime**
- ❖ **Ethiopia growth sectors include Agriculture & Agri-processing, Pharmaceuticals, Mining and ICT, 2020 Ease of Doing Business ranking in Africa is 34 and World ranking is 159. Downsides: Prohibition of foreign ownership in key sectors like Financial services, shipping agencies, retail trade and brokerage. Weak rule of law and insecurity in parts of the Country**
- ❖ **Cote d'Ivoire growth sectors include manufacturing, agriculture and value-added agriculture and mining to boost exports. 2020 Ease of Doing Business ranking in Africa is 12/53 and World ranking is 110/190. Downsides: Simmering political and intercommunal tensions**
- ❖ **Ghana GDP stable at 5%, Inflation at 8.55 will moderate to 8% at year end 2021, MPR 13.5%. Opportunities in Agric – Cocoa processing, pineapples, banana etc mining bauxite, healthcare industry and tourism. 2020 Ease of Doing Business ranking in Africa is 17/53 and World ranking is 118/190.**

Thank You