



INVEST AFRICA

Sub-Saharan Africa
The New Frontier

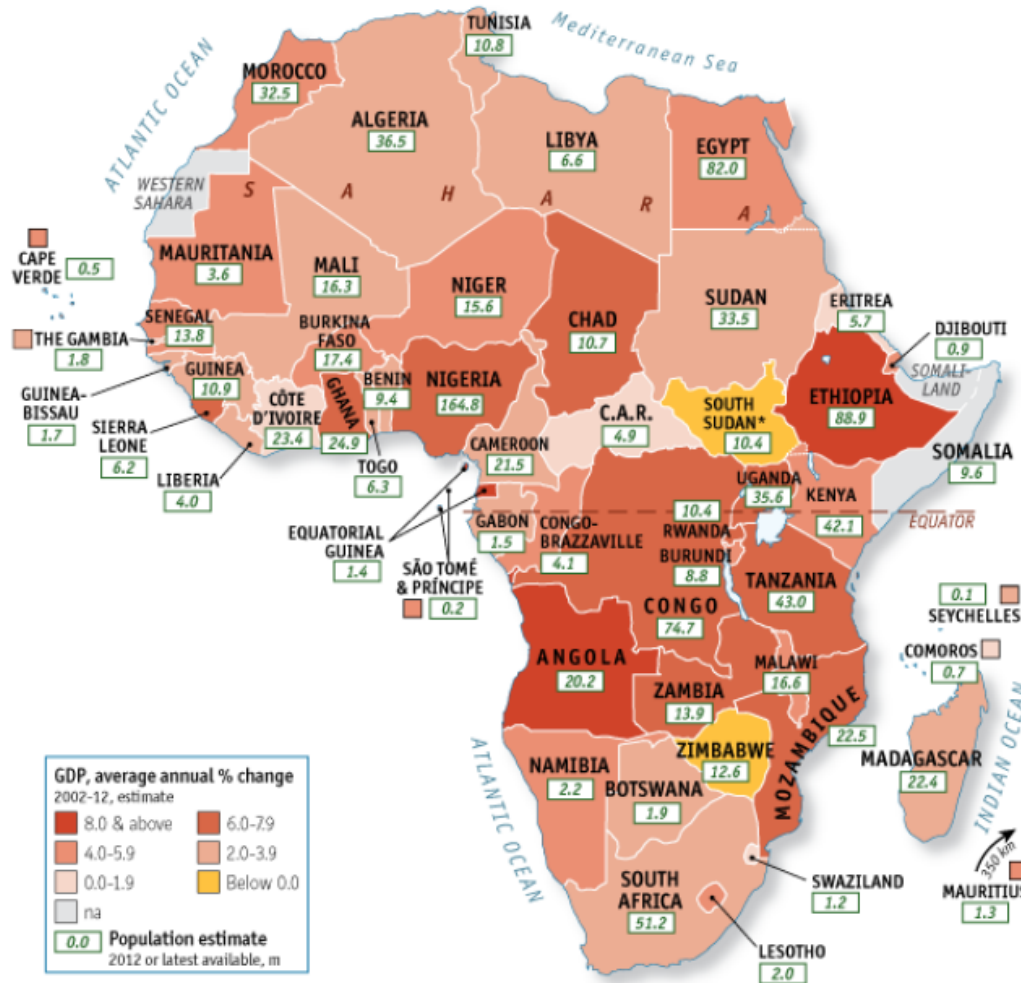
Rob Hersov – Chairman
June 2014

Japan-Africa Business Forum



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Source: Economist

GDP Growth Estimates				
Rank	Country	2012	2013	2014
1	Iraq	11.1%	13.1%	11.0%
2	Sierra Leone	44.5%	11.1%	7.6%
3	China	8.2%	8.6%	8.4%
4	Laos	8.2%	7.6%	7.4%
5	Mozambique	6.7%	7.2%	7.8%
6	Rwanda	7.2%	7.5%	7.2%
7	Ethiopia	7.7%	7.2%	7.8%
8	Uganda	4.0%	7.0%	7.3%
9	Angola	8.1%	7.4%	6.8%
10	Haiti	7.3%	7.1%	6.9%
11	India	6.7%	6.8%	7.0%
12	Nigeria	7.0%	7.2%	6.6%
13	DRC	7.2%	7.0%	6.5%
14	Ghana	7.2%	7.0%	6.5%
15	Tanzania	8.0%	6.4%	7.0%
16	Kazakhstan	6.0%	5.8%	7.5%
17	Uzbekistan	8.0%	6.5%	6.7%
18	Cambodia	6.5%	6.8%	6.3%
19	Bangladesh	6.4%	6.4%	6.5%
20	Niger	9.5%	6.8%	6.1%
21	Indonesia	6.0%	6.5%	6.3%
22	Vietnam	5.7%	6.3%	6.5%
23	Cape Verde	5.8%	6.2%	6.4%
24	Guinea	5.0%	6.0%	6.5%
25	Zambia	6.9%	6.3%	6.0%
26	Panama	6.1%	6.3%	5.9%
27	Tajikstan	5.8%	5.9%	6.0%
28	Rep of Congo	6.0%	6.1%	5.8%
29	Botswana	5.5%	6.5%	5.3%

Source: Business Insider

Macroeconomic Snapshot

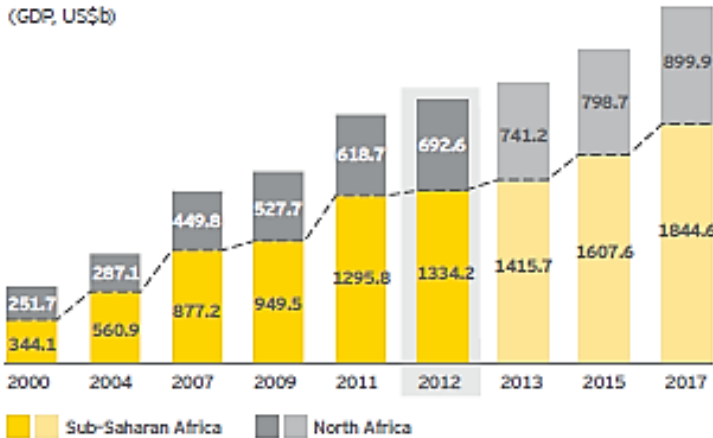


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Strong GDP Growth

Africa's economic output

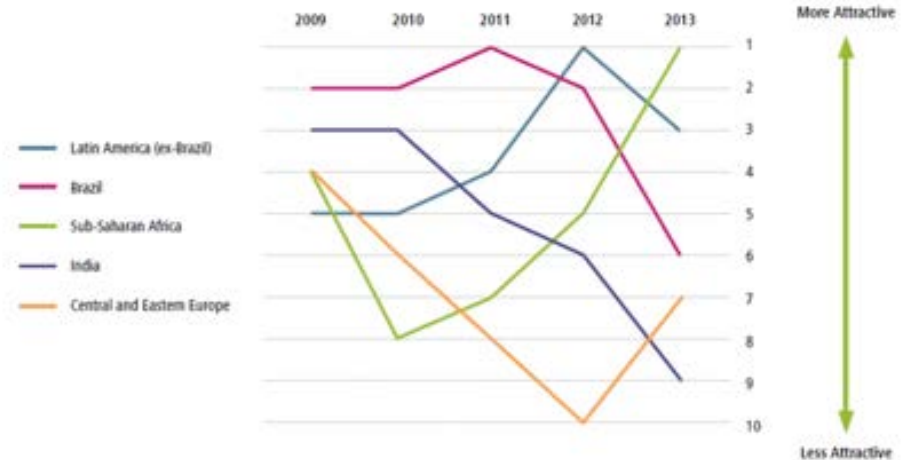
(GDP, US\$b)



Sources: IMF World Economic Outlook Database; Ernst & Young analysis.

Increasingly attractive market

Exhibit 7: Market Attractiveness Rankings, Greatest Shifts 2009–2013



- 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 ²
- The aggregated market of Africa dwarfs those of Latin America

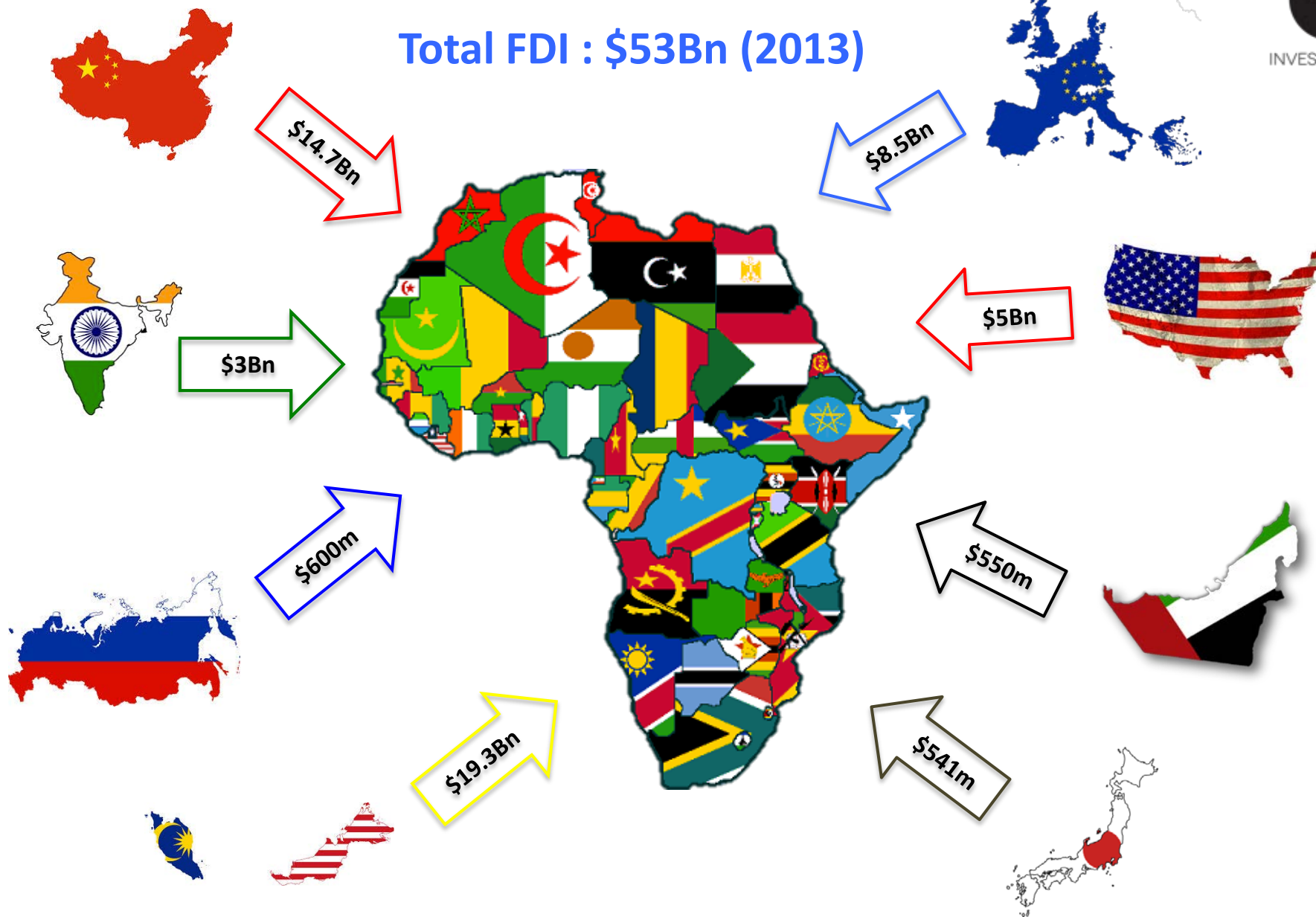
1 – UNECA Economic Report for Africa 2013

2- Charles Robertson et al, 2013, 'The Fastest Billion: The Story Behind Africa's Economic Revolution'



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Total FDI : \$53Bn (2013)

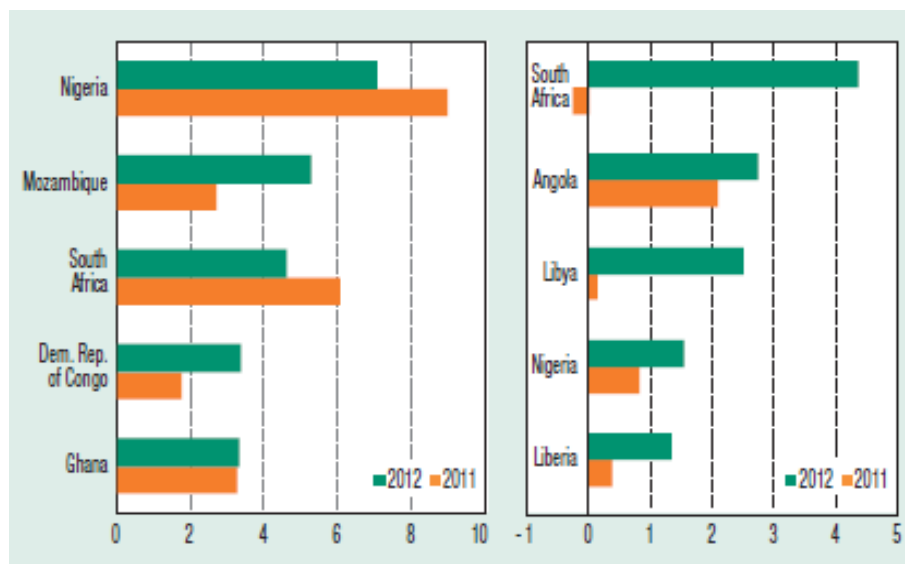


Foreign Direct Investment into Africa

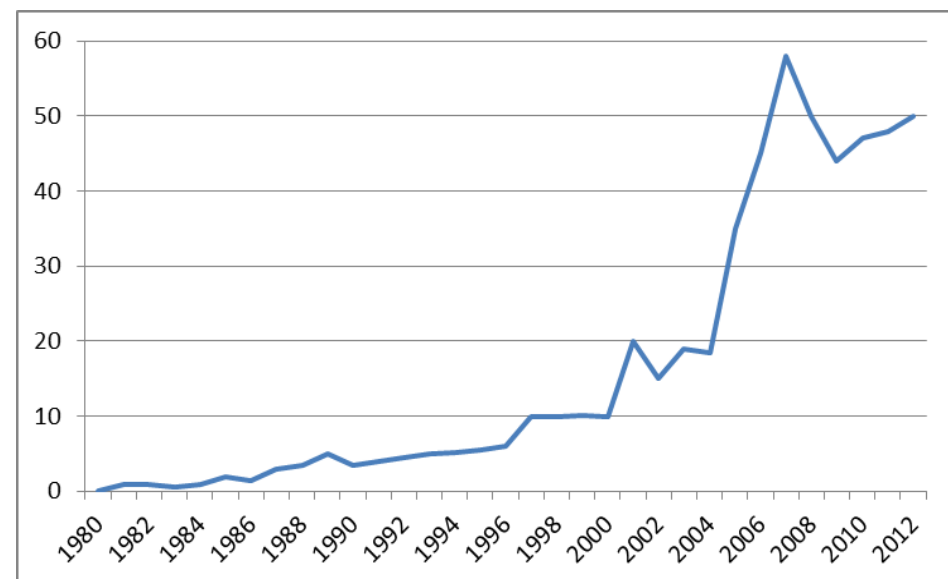


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FDI recipients - top 10 economies



FDI Flows into developing Africa



- **Bucking global trends:** While FDI flows globally declined by 18%, those to Africa increased by 5% ¹
- **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

1 – UNECA Economic Report for Africa 2013

2- Charles Robertson et al, 2013, 'The Fastest Billion: The Story Behind Africa's Economic Revolution'

Five drivers of the African growth story

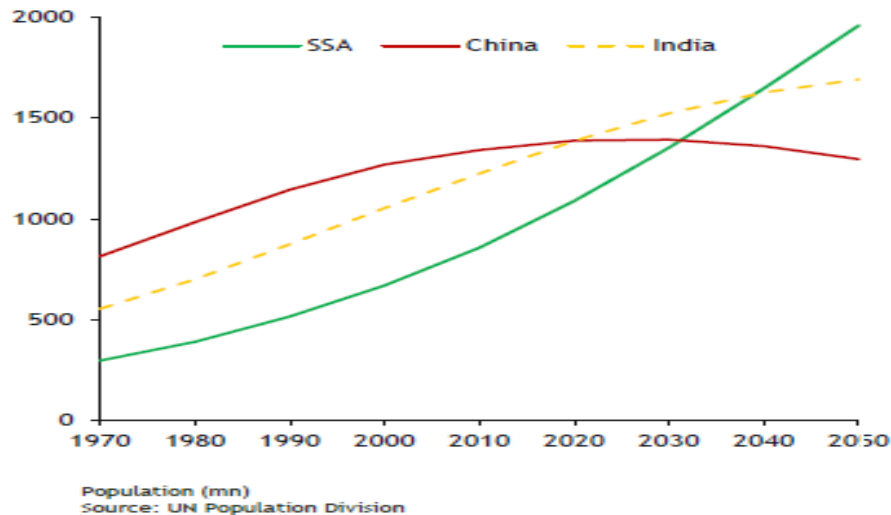


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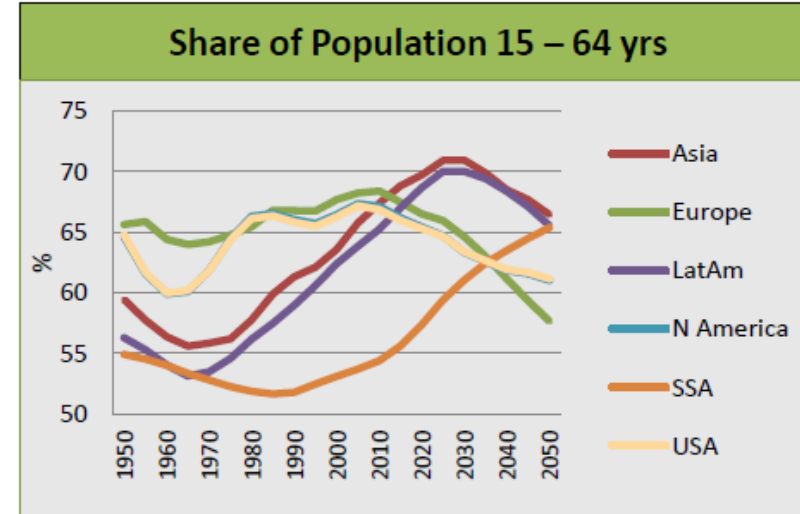




Upward population trends



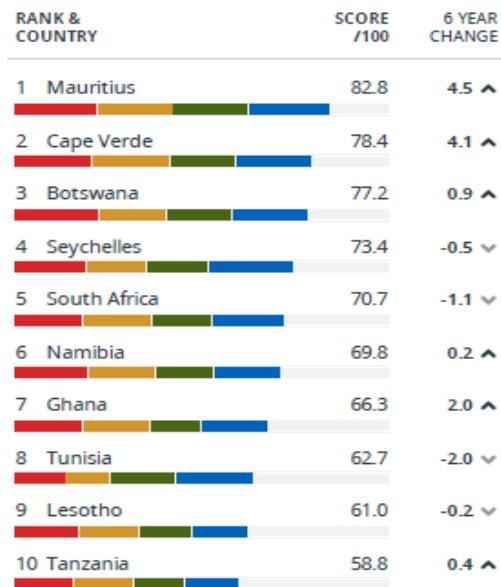
Youth bracket bulge



- **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 ²
- By 2040, Africa's population is projected to have the largest proportion of economically active adults of any major market



Overall leadership score



Source: 2012 Ibrahim Index of African Governance (IIAG)

IFC 'Doing business' index

Economy	Ease of Doing Business Rank (1-185)
South Africa	39
Rwanda	52
Ghana	64
Namibia	87
Zambia	94
Uganda	120
Kenya	121
Ethiopia	127
Nigeria	131
Tanzania	134
Mozambique	146
Angola	172
Congo, Dem. Rep.	181

Source: Selected Countries - World Bank, IFC, June 2012

Business environment



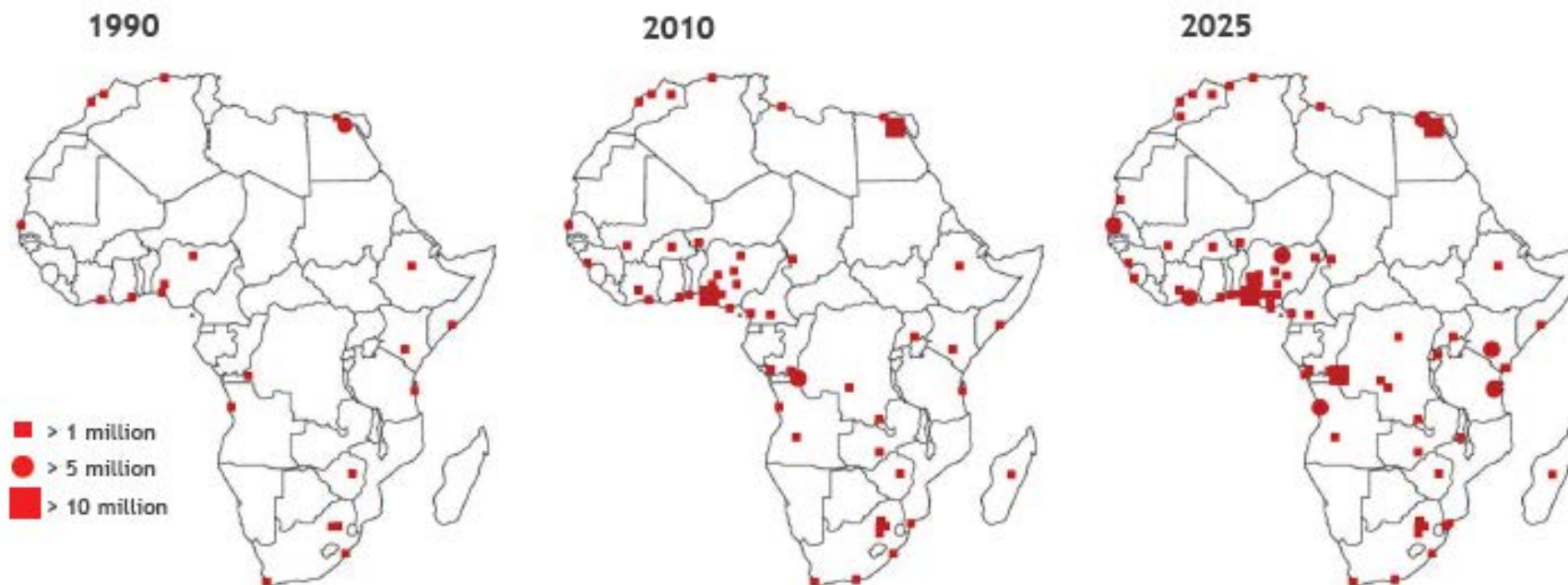
Source: 2012 Ibrahim Index of African Governance (IIAG)

- **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

Urbanization



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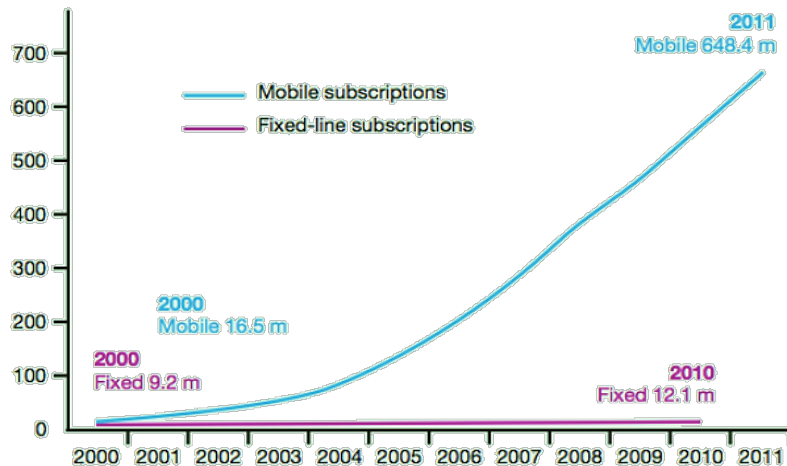


African cities by population
Source: UN World Urbanization Prospects 2011

- **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

Africa goes mobile

Phone subscriptions in Africa, millions



Source: World Bank, Wireless Intelligence and ITU

Increase in Internet users



Source: Internet World Stats

- **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

1 - M & C Saatchi Mobile, June 2013, 'Inside Mobile Africa'

2 - Standard Bank Research, Sept. 2011, 'The five trends powering Africa's enduring allure'

3 - McKinsey, October 2012, 'The Rise of the African consumer'

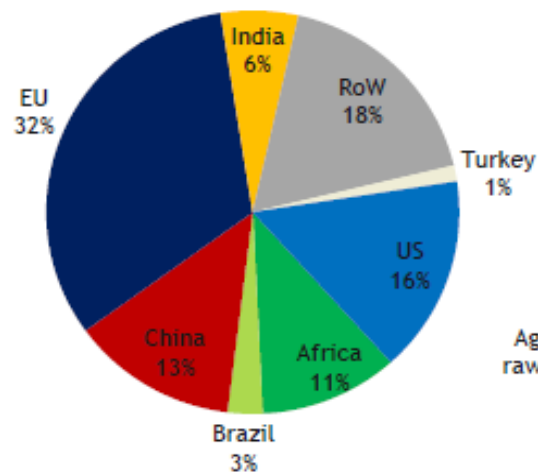


Fuel exporting nations dominate

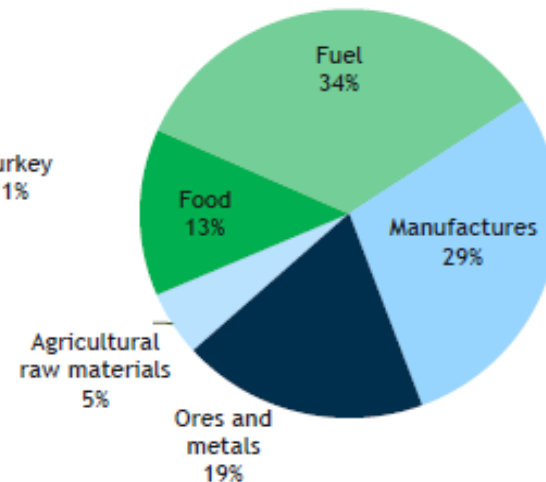
Top African exporters (\$bn)	
South Africa	103
Nigeria	92.5
Algeria	72.9
Angola	67.3
Egypt	27.9
Morocco	21.5
Tunisia	17.9
Equatorial Guinea	14.3
Libya	13
Ghana	12.8

Top exporters by volume (\$bn)
Source: KPMG Africa

Europe main trade partner



African exports by destination 2011
Source: UNCTAD



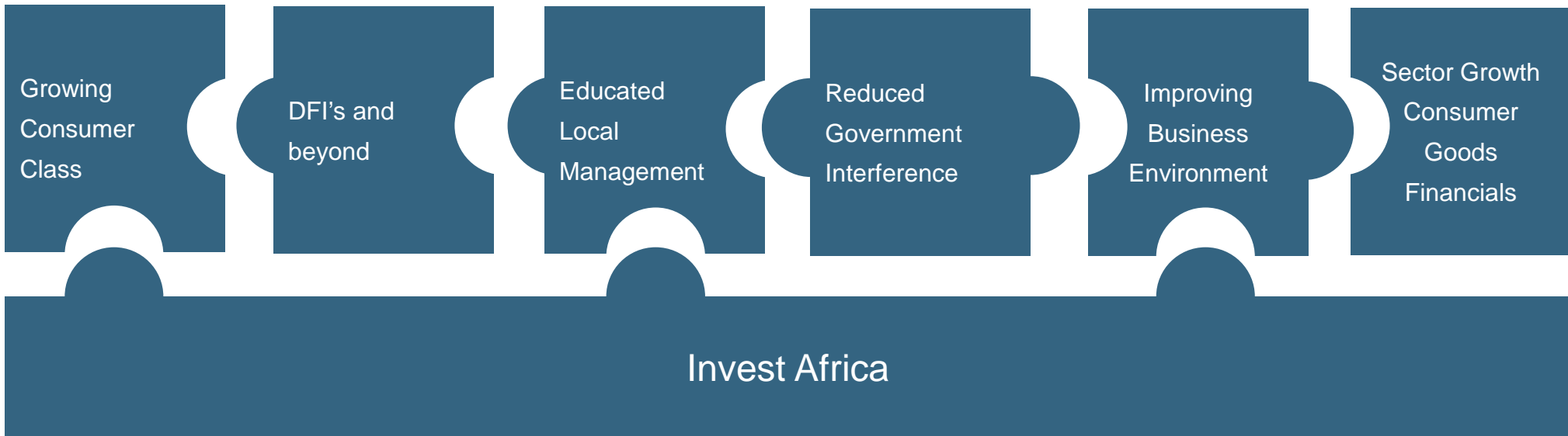
African merchandise exports 2011
Source: UNCTAD

- **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% ¹
- **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 ³

Small and Medium Enterprises – Key to Growth



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Invest Africa

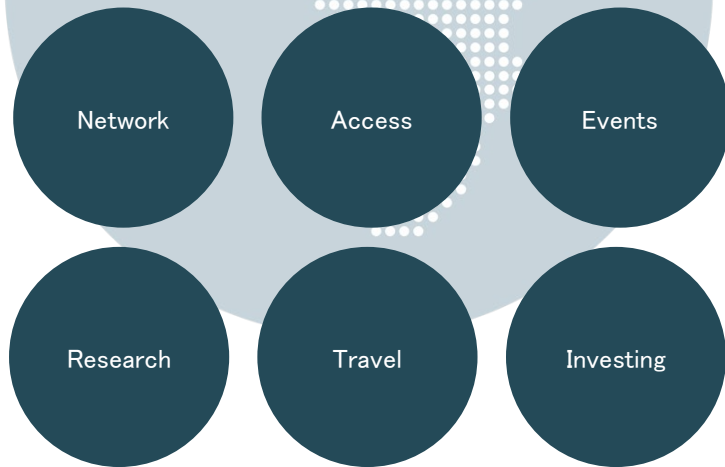


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IA's vision is to be a global private members club with a multi-service platform for access and investment into Africa.

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



Robert Hersov
Founder and Chairman



Bob Diamond
Co-Chairman & President of
the New York Chapter



Ashish J Thakkar
President of Dubai
Chapter

Access



Guaranty Trust Bank



The Pan African Bank

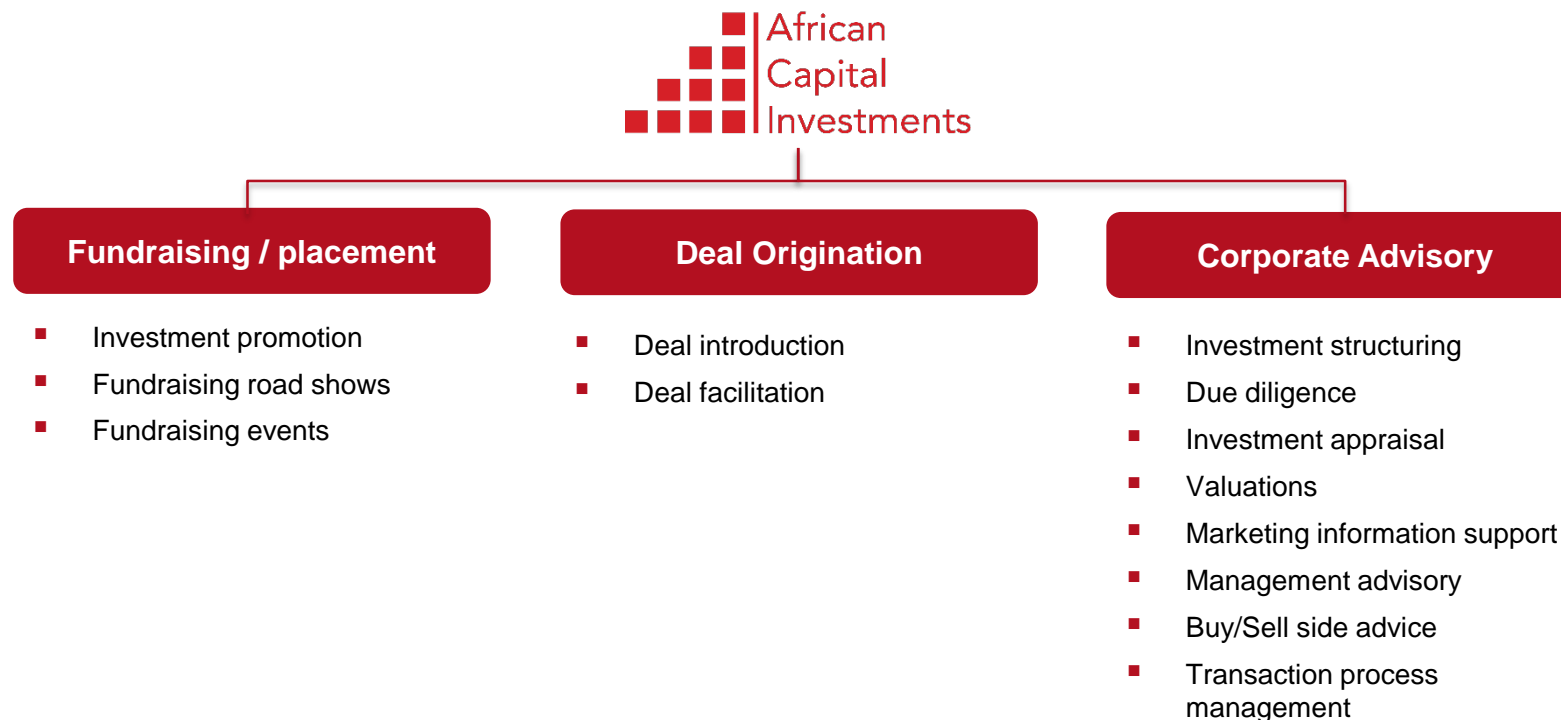


ACI – Africa Capital Investments



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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