



**GBS**/AFRICA

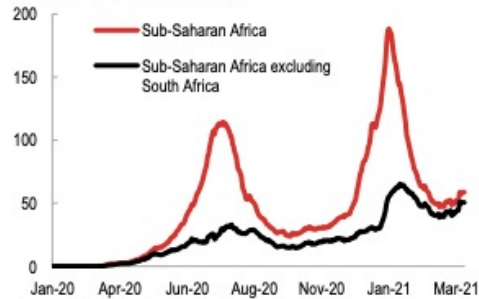
Promoting Africa's Trade & Investment Competitiveness

# Making a business case for the African Continent

- Counting the cost of the Pandemic
- Africa economic outlook for 2021
- What are the key drivers for Africa's attractiveness
- Wisdom for Swedish Businesses
- Conclusion

**Figure 1. Sub-Saharan Africa: New Confirmed Cases of COVID-19**

*(New cases per week, thousands)*



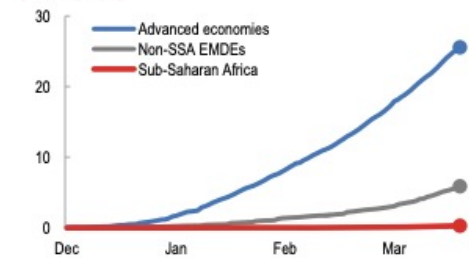
Source: Johns Hopkins University, Center for Systems Science and Engineering, COVID Tracking Project.

Note: SSA = sub-Saharan Africa.

Macro economic fundamentals weakened  
Fiscal deficits doubled  
Financial inflows shrunk  
Capital flight/ financial outflows increased ( \$5 bln in Q1).  
Africa debt continue to rise  
Poverty levels rising due to economic inactivity (39 mln)

**Figure 3. Selected Regions: Vaccine Doses Administered, 2021**

*(Per 100 people)*

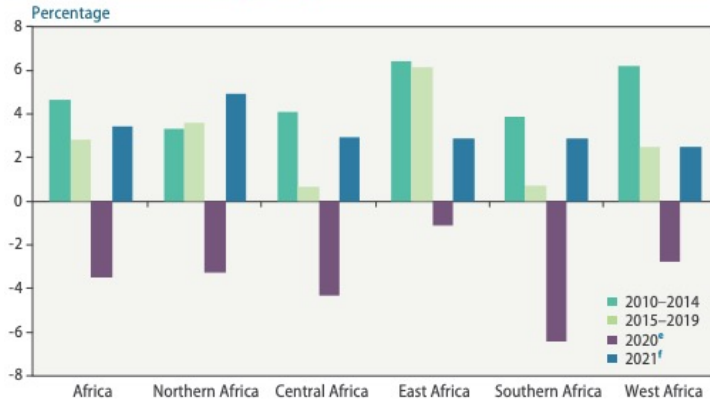


Sources: Our World In Data; and World Bank, World Development Indicators.

Note: Non-SSA EMDE = Non-sub-Saharan African emerging market and developing economies.

# Economic outlook post Covid 19

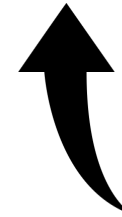
Real GDP growth in Africa, by subregion



Source: UN DESA, based on projections and scenarios produced with the World Economic Forecasting Model (WEFM).

Note: Data for 2020 are estimations and data for 2021 are forecasts (e = estimate, f = forecast). Excludes Libya.

3.4% (2021)



-21.% ( 2020)

# Recovery Priorities

An opportunity for Africa to harness inhouse capacity to build back better and faster.

- Saving lives and livelihoods
- Deepening domestic resource mobilization
- Advance digitalization
- Strengthen Governance and transparency
- Harness opportunities provided by AfCFTA.(\$540 Billion export income by 2035)

# SSA Outlook

## Sub-Saharan Africa: Member Countries of Groupings

Oil Exporters	Other Resource-Intensive Countries	Non-Resource-Intensive Countries	Middle-Income Countries	Low-Income Countries	Countries in Fragile Situations
Angola	Botswana	Benin	Angola	Benin	Burundi
Cameroon	Burkina Faso	Burundi	Botswana	Burkina Faso	Central African Republic
Chad	Central African Republic	Cabo Verde	Cabo Verde	Burundi	Chad
Congo, Republic of	Congo, Democratic Republic of the	Comoros	Cameroon	Central African Republic	Comoros
Equatorial Guinea	Republic of the	Côte d'Ivoire	Comoros	Chad	Congo, Democratic Republic of the
Gabon	Ghana	Eritrea	Congo, Republic of	Congo, Democratic Republic of the	Congo, Republic of
Nigeria	Guinea	Eswatini	Côte d'Ivoire	Equatorial Guinea	Côte d'Ivoire
South Sudan	Liberia	Ethiopia	Equatorial Guinea	Eritrea	Eritrea
	Mali	Gambia, The	Eswatini	Ethiopia	Gambia, The
	Namibia	Guinea-Bissau	Gabon	Gambia, The	Guinea
	Niger	Kenya	Ghana	Guinea	Guinea-Bissau
	Sierra Leone	Lesotho	Kenya	Guinea-Bissau	Liberia
	South Africa	Madagascar	Lesotho	Liberia	Malawi
	Tanzania	Malawi	Mauritius	Madagascar	Mali
	Zambia	Mauritius	Namibia	Malawi	São Tomé and Príncipe
	Zimbabwe	Mozambique	Nigeria	Mali	Sierra Leone
		Rwanda	São Tomé and Príncipe	Mozambique	South Sudan
		São Tomé and Príncipe	Senegal	Niger	Togo
		Senegal	Seychelles	Rwanda	Zimbabwe
		Seychelles	South Africa	Sierra Leone	
		Togo	Zambia	South Sudan	
		Uganda		Tanzania	
				Togo	
				Uganda	
				Zimbabwe	

Commodity Markets are just unsustainable

# Regional outlook

## EAST AFRICA

- Region expected to recover & grow by 5.5%
- Key economies include; Kenya, Tanzania and Ethiopia.
- Diversified economies but dependent on Tourism/ services Industry
- Vibrant Private sector and developing capital and securities markets
- Notable projects here : \$3.5 Bln pipeline (Tanzania & Rwanda), Lapsset Project ( \$2.5 Bln)
- Growing consumer market, Infrastructure projects, Logistics & Tech based opportunities
- Simplified investment procedures and one-stop centre facility provided by national investment promotion agencies -

# Regional outlook

## Western Africa

- Key economies are led by Nigeria, Ivory Coast, Ghana
- Resource rich region -Oil, Minerals, Commodities Cocoa and Palm oil.
- Priority for the region is to diversify and support Private sector growth.
- Opportunities in FMCG, Digital Health, Affordable Housing, Digital Finance solutions, Infrastructure
- Domestic revenue generation.

# Regional outlook

## Southern Africa

- The region will be weighed down by South Africa.
- The weakest performers in this region are; Zimbabwe , Angola, Zambia and South Africa.
- The anchors for growth in the region include; External demand, rebound in Agriculture, and private sector activity.

# What makes Africa attractive to Investor?

- Discoveries in hydrocarbons in Kenya ,Uganda, Mozambique and Tanzania
- Shared experiences and shared thinking by the regional leaders on the way forward towards regional economic stability (AfCFTA)
- Investment in national & Regional infrastructure projects - \$91 Bln financing requirements.
- Investment in the Agriculture sector focused on commercial and food crop production
- Growing consumer markets – FMCG
- Healthcare and Education sector

# What makes the region attractive to Investors?

- Ongoing: incentives, reformed legal & regulatory framework to enable low risk operating environments.
- Ongoing: improving domestic capacity to expand fiscal space, for investment.
- Ongoing: structural transformation to diversify revenue base; increase foreign exchange earnings, promote job creation, and reduce exposure to external shocks.
- Economies of scale, market access under AfCFTA.

# Wisdom for East Africa Investors

- Where possible align your services and products with the Africa market demand and priorities.
- If doesn't pass in Sweden, it will not pass in Africa! – Apply the same standards of quality operation as you would in any developed economy.
- Create strategic partnership / relations with local private sector and other stakeholders.
- Local presence; you can't run a business in Nairobi from Europe.
- Is legal, Is it ethical and does have an impact.

# Wisdom for East Africa Investors

- Don't be corrupt
- Don't strike an unfair bargain
- Don't rely on "fudged agreements"
- Recognise the legitimate concerns of sovereign states
- Behave as a "good citizen"
- Be culturally attuned
- Don't get drawn into politics

# GBS Africa

- Established in 2011, GBS Africa is a reputable Africa focused advisory services firm working with Africa's public and private sector leadership, developmental partners and investment community to support trade and investment flows into Sub Sahara Africa.

## Africa market entry strategy:

Market assessment, Identification & prioritization ,Country Assessment , due diligence, compliance, regulatory, incorporation, investment certification and work permits, international business development & regional trade development.

# GBS Africa

## Political risk and Compliance

- We provide a secure and structured way to maintain processes, controls that help you navigate political, social and economic risks.
- **Stakeholder Management** : We monitor, measure and manage stakeholder relationships across the entirety of a project, helping you keep track what's happening by logging all the key interactions across your Africa operation and providing dispute management solutions.
- **Environment, Social and Governance management** - We support your businesses uphold the highest standards of operations, honoring ESG commitment.

# Thank you

## **LONDON**

GBS AFRICA

86 -90 Paul Street

London EC2A 4NE

Email: [info@gsafrica.co.uk](mailto:info@gsafrica.co.uk)

## **Nairobi**

GBS AFRICA

Suite One

Teleposta Towers

Nairobi 1093 - 000600