

Business Outlook and Investment Opportunities in Africa

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Presenter



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Understanding Africa

Africa



REMEMBER...

Africa is a
CONTINENT



NOT A COUNTRY!

Macro issues overview

- ❑ 55 countries with varied legal jurisprudence
- ❑ Size and diversity – 2nd largest continent with a population of over 1 billion people
- ❑ Different legal systems – common law and civil law systems inherited from colonial times with Islamic religious laws and customary laws in certain countries
- ❑ Regional trading blocks (COMESA, ECOWAS, SADC and EAC)
- ❑ Improving court systems
- ❑ Overall reduction in red tape
- ❑ Improvement in recognition of property rights

Spotlight on Trading Blocs

Primary aim of regional trade blocs in Africa

- economic cooperation
- removal of tariffs
- removal of barriers to trade

The main trading blocs in Africa

- African Continental Free Trade Area (**AfCFTA**) – 44 member countries
- COMESA – 19 member countries
- ECOWAS – 15 member countries
- SADC – 15 member countries
- EAC – 6 member countries

African Continental Free Trade Area (AfCFTA)



- ❑ USD 3 Trillion continental free trade zone
- ❑ 1.2 Billion people
- ❑ Largest free-trade area since WTO

Key findings - Lions on the move II, 2016 (Mckinsey & Company)

USD 5.6 Trillion by 2025

- USD 2.1 Trillion household consumption
- USD 3.5 Trillion B2B spending
- Manufacturing output to double by 2025 from USD 500 Billion in 2016 to USD 930 Billion by 2025

World's fastest urbanization

- Between 2015 and 2045 an average of 24 Million additional people are projected to live in cities each year

Continued abundance of resources

- Africa contains 60% of the world's unutilized but potentially available crop land
- World's largest reserves of vanadium, diamonds, gold, platinum, phosphate, manganese, platinum, aluminum and chromium
- Contributes 10% of global exports of oil and gas

Investment Opportunities - FDI INFLOWS

- According to the World Investment Report 2018 (by United Nations Conference on Trade and Development) Africa had USD 41.8 Billion FDI inflow in 2017
- Top recipients countries 2017:

Country	Amount (USD)
Egypt	7.4 Billion
Ethiopia	3.6 Billion
Nigeria	3.5 Billion
Ghana	3.3 Billion
Morocco	2.7 Billion

Investment opportunities - Key sectors

Infrastructure

Energy

Manufacturing

Information
Technology

Key Sectors

Agriculture

Telecommunication

Hospitality

Risk factors

- ❑ Corruption
- ❑ Restrictive policies and regulatory framework
- ❑ Weak institutions
- ❑ Unstable political environment
- ❑ Weak security

Is it really high risk?

Not a high risk – Africa risks are not unique and they are similar to risks in other emerging markets

INTRODUCTION TO AC&H AND ALN



AC&H at a glance

- ❑ Regulated legal consultancy firm in Dubai, UAE
- ❑ Regional office of ALN (Africa Legal Network) - ALN network works on a highly integrated basis. AC&H acts as the point of contact for all aspects of multi-jurisdictional deals across the entire ALN network through a seamless “one-stop shop” approach
- ❑ Affiliated with Haidermota BNR – Pakistani’s premier corporate firm
- ❑ Able to leverage expertise of over 700 lawyers in Africa
- ❑ Strategically based in Dubai, connecting Asia to Africa

The
African
Legal
Awards
2018

African Network/
Alliance of the
Year

Winner



ALN at a glance (cont.)

- ❑ Founded in 2004
- ❑ Leading independent African alliance of top tier law firms.
- ❑ ALN firms are recognised in international legal directories and many have advised on ground breaking, first-of-a-kind deals in their markets
- ❑ ALN is the largest grouping of its kind in Africa, with close working relationships across its members and an established network of Best Friends across the continent
- ❑ ALN has the widest coverage and is the most integrated group of law firms operating on the continent
- ❑ Present in 16 African countries
- ❑ Regional office in the UAE and Associate Firm in South Africa
- ❑ Over 700 lawyers on the ground

Key takeaways

- ❑ Each country is very different and there is no one size fits all approach which will work.
- ❑ It is important to get your hands dirty by being on the ground. You cannot work in Africa by remote control.
- ❑ Transparency in information is an issue. Therefore, spend time to verify facts and information.

Questions



AC&H | ALN

ANJARWALLA COLLINS & HAIDERMOTA

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