



Investment in Africa: Change is afoot

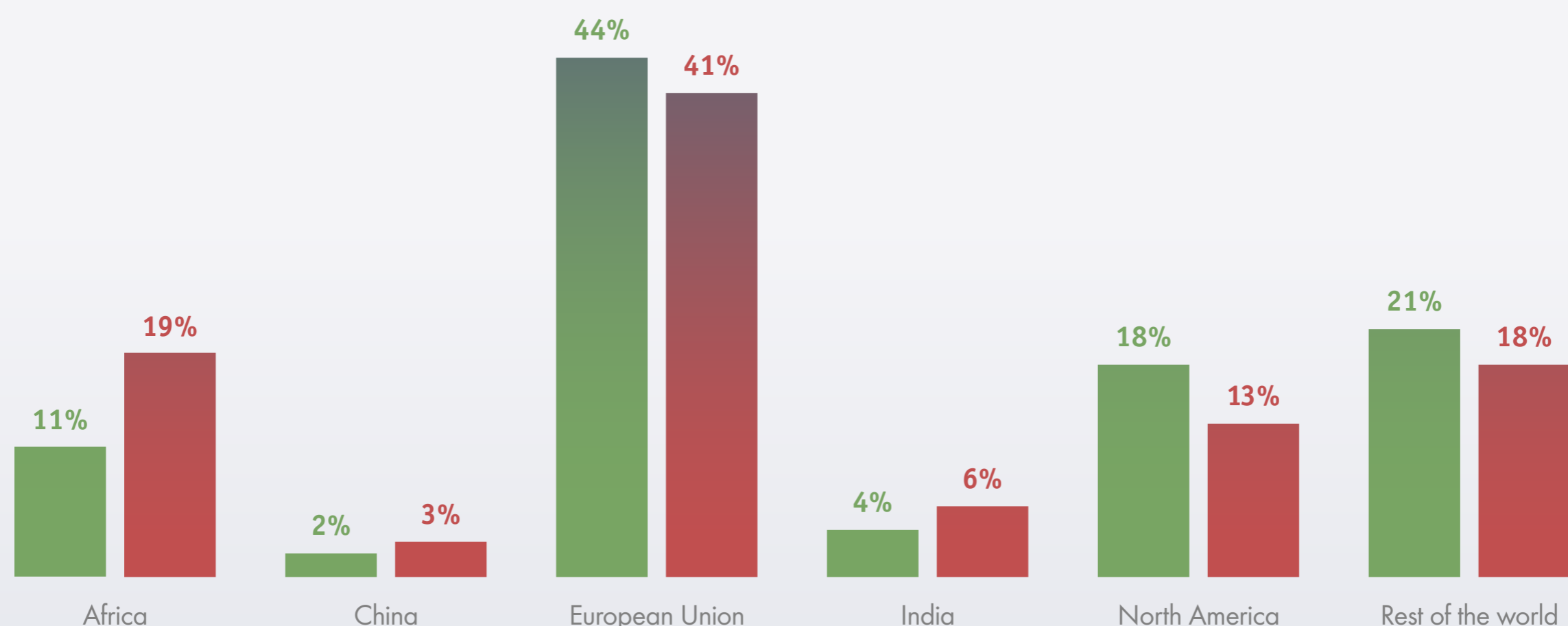
Emerging markets are becoming an important source of direct investment flows to Africa. While capital flows from India and China have risen, the most significant increase has come from within Africa itself. Private equity is also becoming an important source of capital for companies in Africa, as investors consider opportunities beyond extractive industries.

Who is investing in Africa?

Since the global financial crisis, African investors have played a larger role in an FDI recovery.

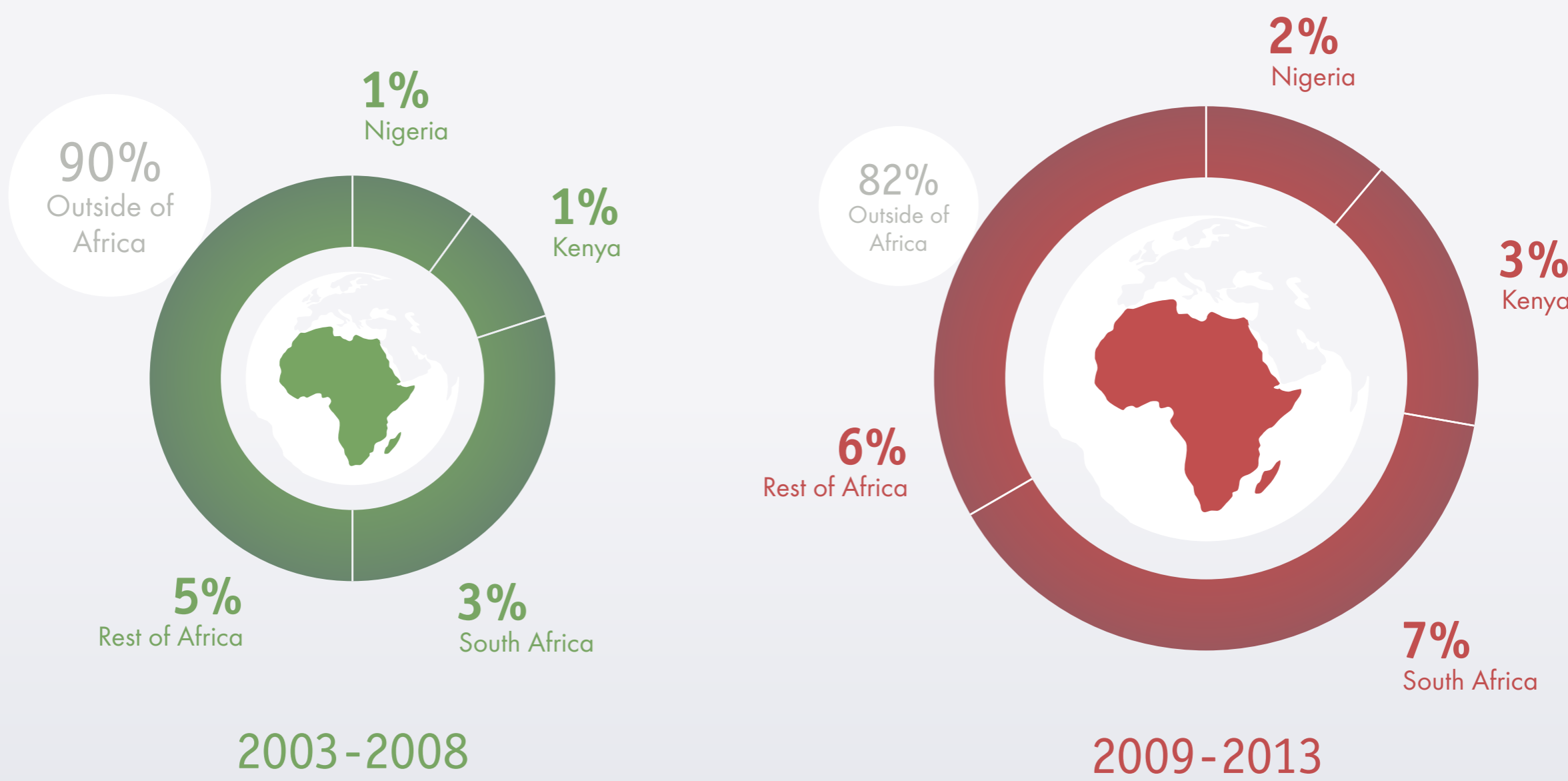
Sources of greenfield investment in Africa (% of all projects)

2003-2008 2009-2014



Since the global financial crisis, advanced economies have generally reduced their investment in Africa. In 2009-2014, investment in Africa originating from Europe and North America fell to 41% and 13% of total investment, respectively, from 44% and 18% in 2003-2008. Meanwhile, African investment has grown to comprise around a fifth of greenfield investment in Africa.

Number of greenfield projects in Africa by source of investment, 2003-2008 & 2009-2013 (%)

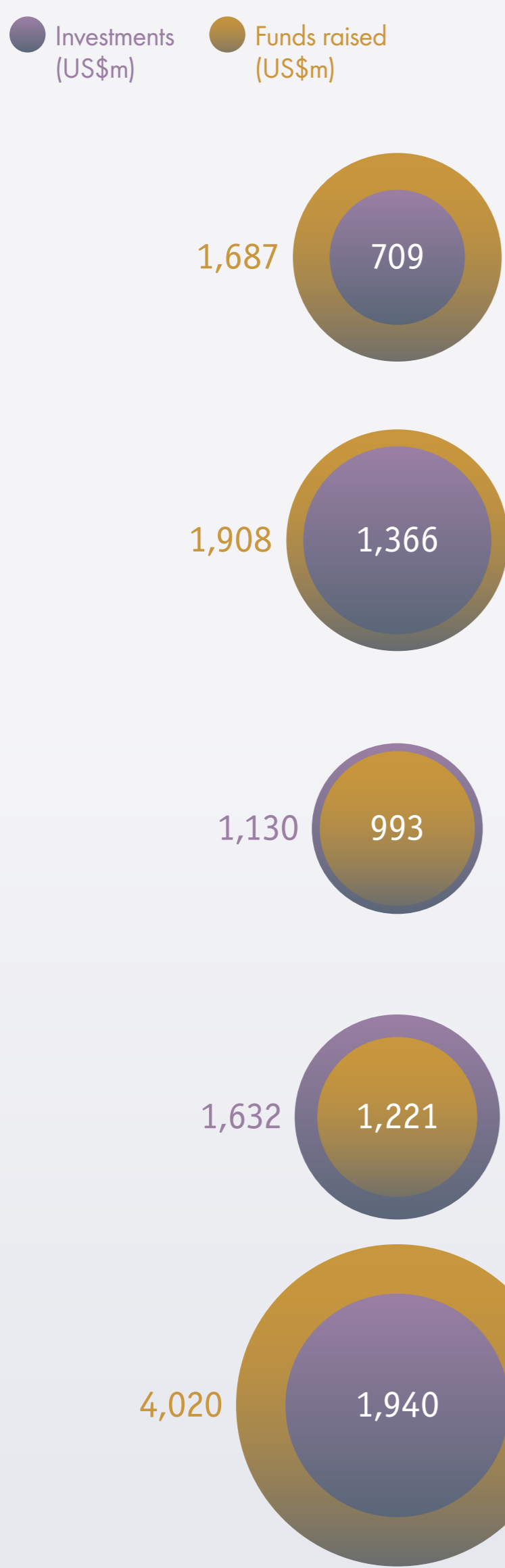


Kenya, Nigeria and South Africa are increasingly investing in greenfield projects in Africa. Intra-African investments are more likely to be focused on manufacturing and services rather than the extractive industries.

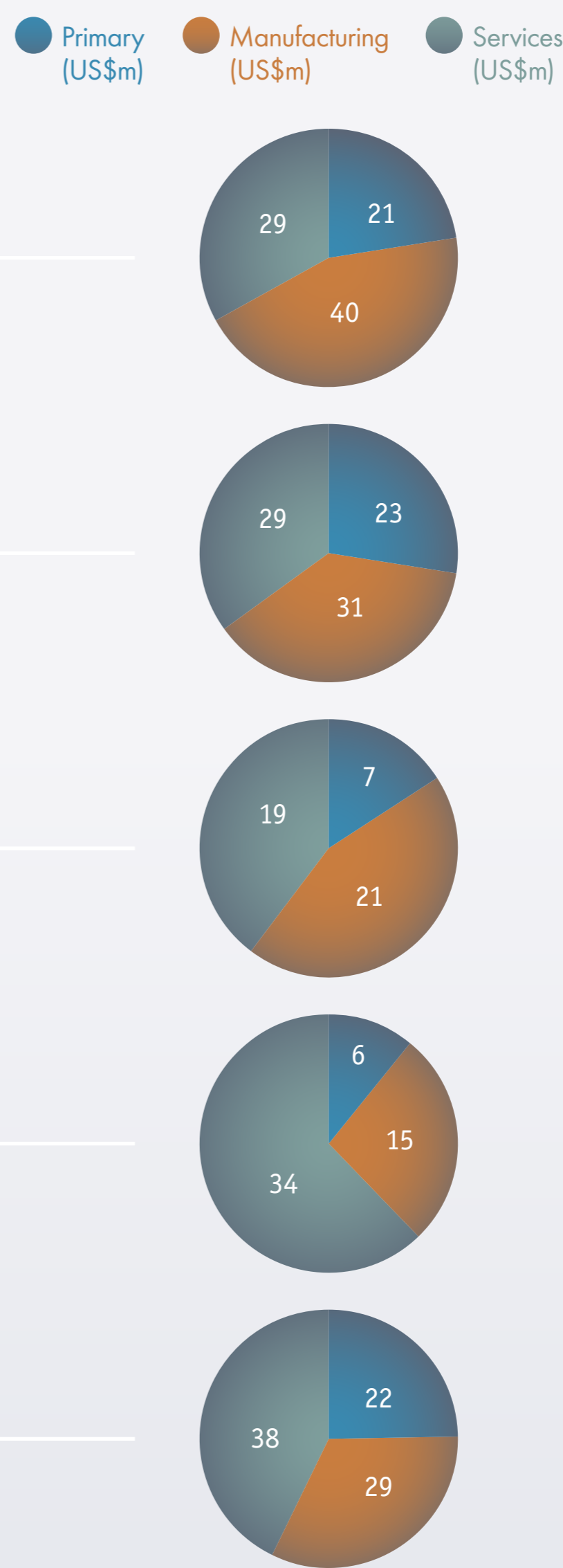
Future trends

Growing private sector investment and a focus on the services sector will increasingly be features of African FDI inflows.

Private equity capital raised and invested in sub-Saharan Africa, 2010-2014 (US\$m)



Value of greenfield private equity investments in sub-Saharan Africa, 2010-2014 (US\$m)



In 2014, capital raised for Africa-focused private equity funds soared to a record US\$4bn, and in 2013, the value of greenfield investments in Africa's services sector exceeded the primary and manufacturing sectors for the first time.

Note: Sub-Saharan Africa is comprised of Africa, excluding Algeria, Egypt, Libya, Morocco, Sudan and Tunisia.