

THE AFRICA INVESTMENT REPORT 2016

FOREIGN INVESTMENT BROADENS ITS BASE



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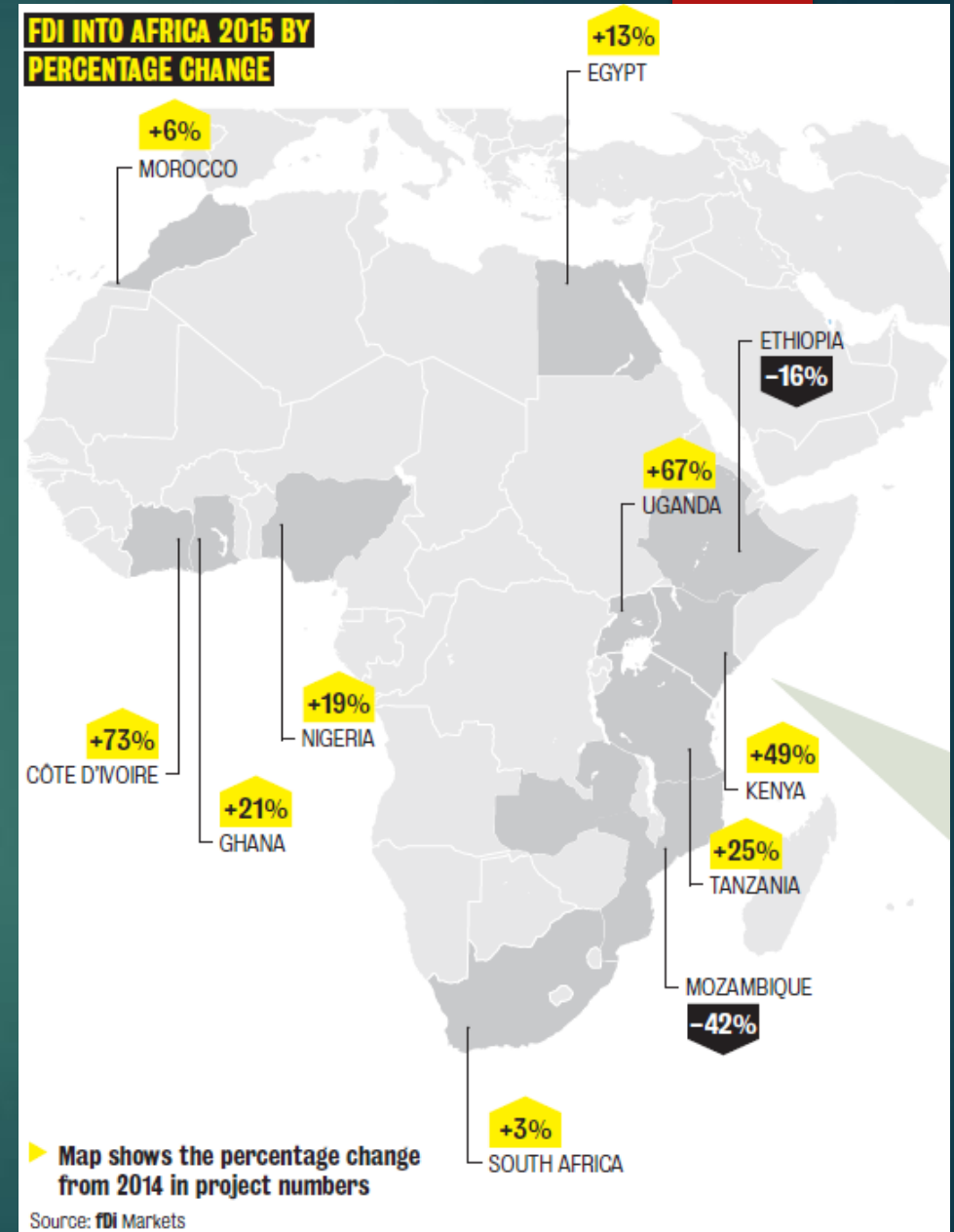
Overview: 2016 Findings

- ▶ Number of FDI projects into Africa increased by 6 percent to 705
- ▶ Capital investment decreased by 24 percent to \$66.5bn
- ▶ Coal, Oil & Natural Gas was the top sector by capital investment in 2015
- ▶ Extraction was the top business activity by capital investment
- ▶ In total, 495 companies invested in the region, an increase of 6 percent on 2014



Africa regional trends

- Egypt remained the leading destination for FDI
- South Africa continues to dominate FDI by number of projects
- Kenya recorded one of the biggest increases in FDI
- Uganda increased its project numbers by 67 percent to 20, tying for 10th place with Tanzania
- Mozambique and Ethiopia were the only two countries in the top 10 to witness a decline in FDI by number of projects



Africa regional trends (cont.)

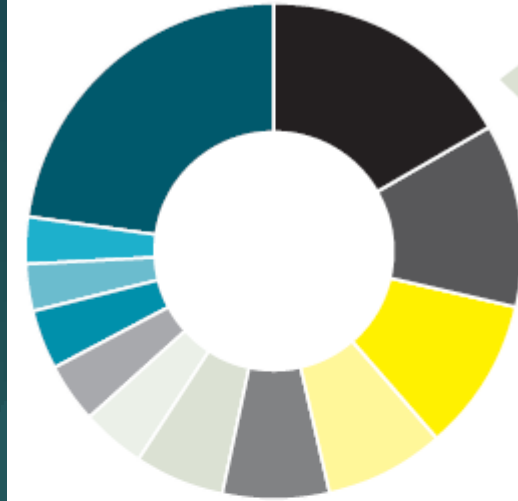
FDI INTO AFRICA BY CAPITAL INVESTMENT 2015

Country	\$bn*	% change	% Market share
Egypt	14.5	-19%	22%
Nigeria	8.6	-20%	13%
Mozambique	5.1	-42%	8%
South Africa	4.7	33%	7%
Morocco	4.5	-13%	7%
Côte d'Ivoire	3.5	612%	5%
Angola	2.7	-83%	4%
Kenya	2.4	8%	4%
Senegal	1.9	473%	3%
Cameroon	1.8	829%	3%
Other	16.7	-24%	25%

Source: **FDI** Markets
*includes estimates

- Italy's Eni SpA: Zohr gas fields in Egypt. \$6-10bn investment
- Al-Bader International Development sugar cane plantation, Mozambique. \$1.5bn investment.
- South Korea's Kaonmedia production plant in Lagos, Nigeria. \$624bn investment
- Compagnie des Bauxites de Guinée, a subsidiary of US-based Alcoa, bauxite mine expansion. \$1 bn investment

FDI INTO AFRICA BY PROJECT NUMBERS 2015



% Market share

17%

12%

10%

8%

7%

6%

4%

4%

4%

3%

3%

23%

Country

South Africa

Kenya

Morocco

Egypt

Nigeria

Ghana

Mozambique

Ethiopia

Côte d'Ivoire

Tanzania

Uganda

Other

Source: **FDI** Markets

Source countries

- Despite a 38 percent drop in FDI capital investment YoY, western Europe achieved a 45 percent market share
- The US was the top source country for FDI projects into Africa, despite a 4% drop in project numbers
- Asian countries invested in 11 percent more projects in 2015. Key investors were India and China.

**TOP INVESTING REGIONS IN AFRICA
BY CAPITAL INVESTMENT 2015**



% Market share	Capex (\$bn)*	Region
45%	30.1	Western Europe
17%	11.0	Middle East
16%	10.7	Africa
12%	8.0	North America
9%	6.0	Asia-Pacific
1%	0.41	Latin America & Caribbean
1%	0.35	Emerging Europe

Source: fDi Markets
*includes estimates

**TOP INVESTING COUNTRIES IN
AFRICA BY CAPITAL INVESTMENT 2015**



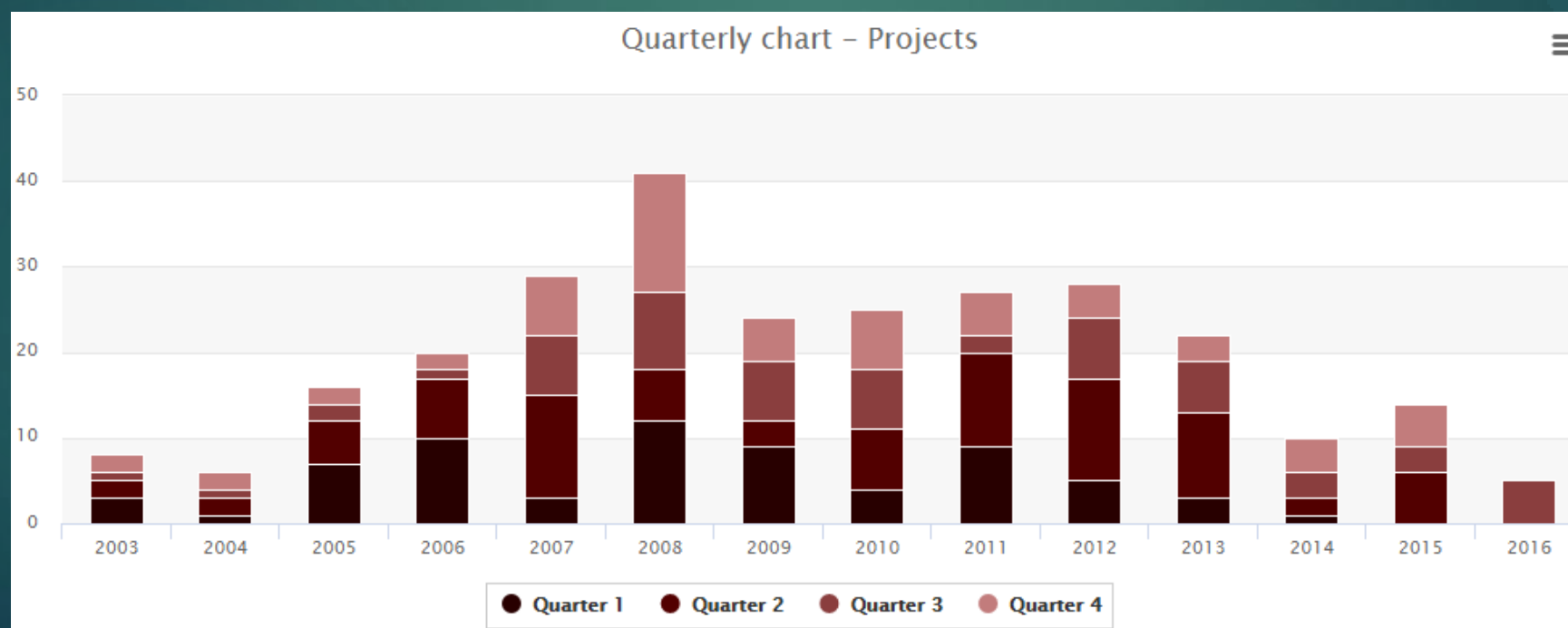
% Market share	Capex (\$bn)*	Country
11%	7.4	Italy
10%	6.8	United States
9%	5.7	France
7%	4.9	UK
6%	4.2	UAE
6%	3.7	Bahrain
5%	3.4	Morocco
4%	2.6	Germany
3%	2.3	China
3%	2.2	Finland
35%	23.1	Other

Source: fDi Markets
*includes estimates



Spain-Africa: FDI trends

- FDI investment numbers for Jan-June 2015:

Headline Figures	
No. of Projects	13
Total Job creation	0
Average project size (jobs)	0
Total Capital Investment (Capex)	\$867.10 m
Average project size (capex)	\$66.70 m



Spain-Africa: FDI trends

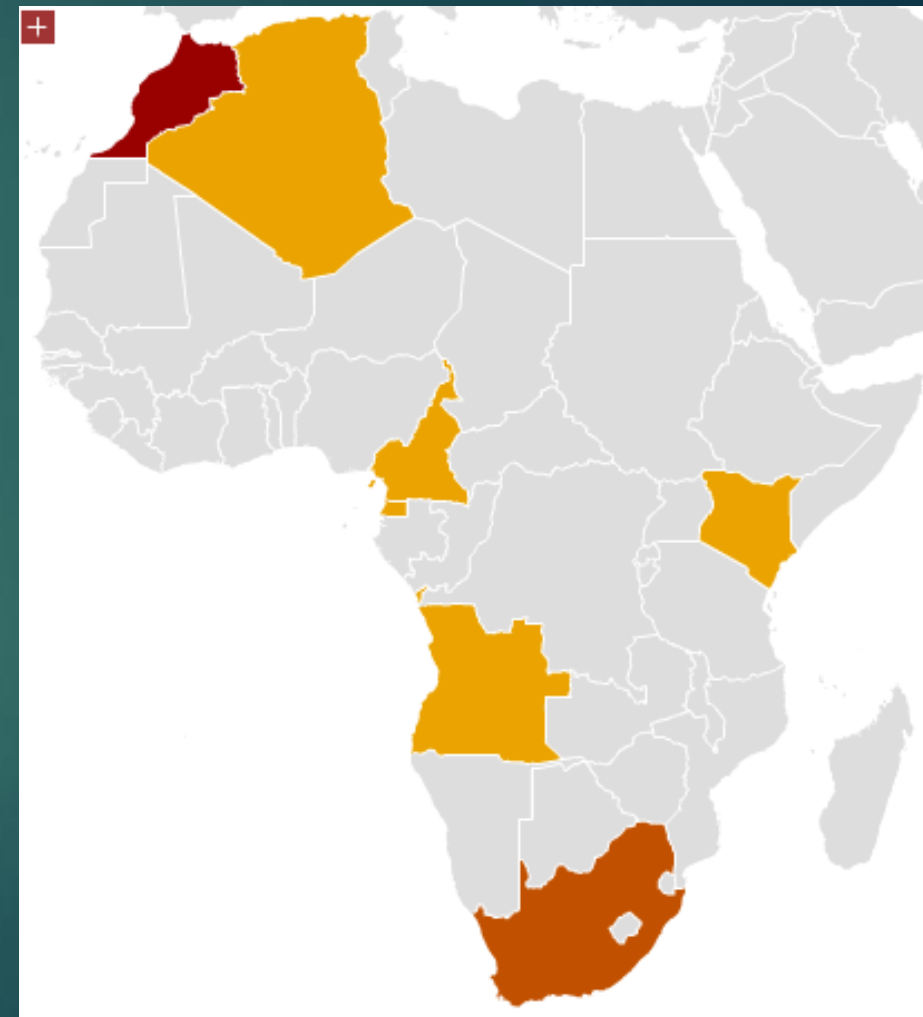
◆ Date	◆ Parent Company	◆ Destination ●●●	◆ Sector	◆ Activity	▼ Capex
Sep 2015	 Acciona	 South Africa	Alternative/Renew..	Electricity	* \$ 209.30 m
Jan 2015	 Grupo Romeu	 Morocco	Warehousing & Sto..	Logistics, Distri..	* \$ 197.10 m
Mar 2015	 Ercros	 Morocco	Chemicals	Manufacturing	* \$ 162.20 m
Dec 2015	 Grupo Ortiz Construcción...	 Algeria	Building & Constr..	Manufacturing	* \$ 159.80 m
Sep 2015	 Tecnospan (Azcona & Pant...	 Angola	Industrial Machin..	Manufacturing	* \$ 48.20 m
Sep 2015	 Tecnospan (Azcona & Pant...	 Kenya	Industrial Machin..	Manufacturing	* \$ 48.20 m
Nov 2015	 La Caixa	 South Africa	Financial Services	Business Services	* \$ 11.00 m
Nov 2015	 Liga de Fútbol Profesion...	 South Africa	Leisure & Enterta..	Sales, Marketing ..	* \$ 7.90 m
Dec 2015	 Arquivio Arquitectura	 Cameroon	Business Services	Business Services	* \$ 6.80 m
Jun 2015	 Projar	 Morocco	Chemicals	Sales, Marketing ..	* \$ 6.20 m
Nov 2015	 GTI Software & Networkin...	 Morocco	Software & IT ser..	Sales, Marketing ..	* \$ 5.80 m
Jan 2015	 Ascensores Excelsior	 Equatorial Guinea	Industrial Machin..	Sales, Marketing ..	* \$ 2.90 m
May 2015	 Gratacos	 Morocco	Textiles	Sales, Marketing ..	* \$ 1.70 m

► Top destinations:

- Morocco, South Africa, Algeria, Angola, Cameroon

► Top sectors:

- Alternative/renewable energy, Warehousing & Storage, Chemicals, Building/Construction, Industrial Machinery, Financial Services.



Business activity

BUSINESS ACTIVITY GROWTH TRENDS FOR FDI PROJECTS IN AFRICA 2015

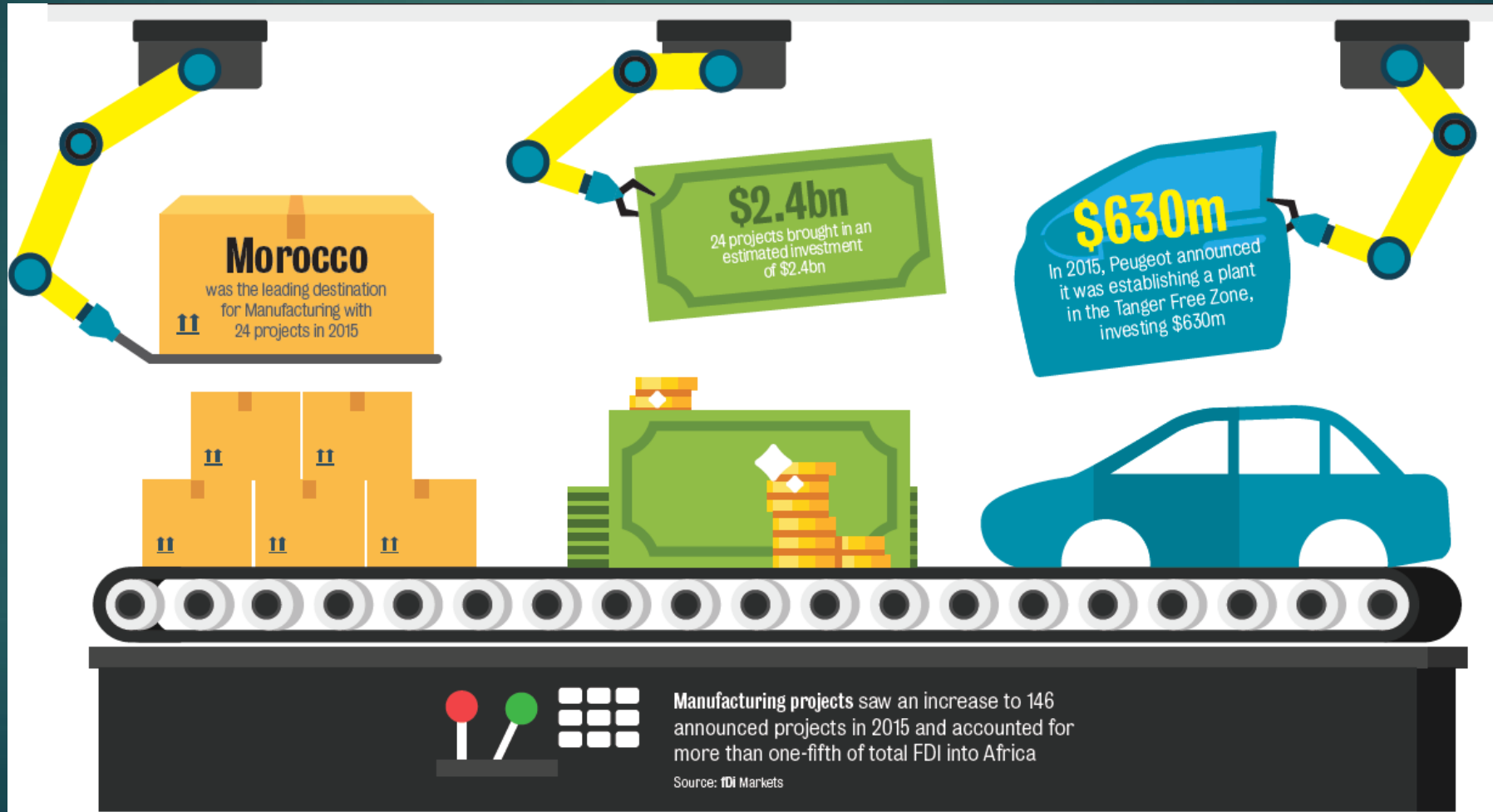
Business activity	Projects	% change	
Education & Training	19	138%	▲
Electricity	44	91%	▲
Headquarters	16	33%	▲
Manufacturing	146	6%	▲
Business Services	179	5%	▲
Construction	24	-4%	▼
Logistics, Dist & Transportation	35	-5%	▼
Sales, Marketing & Support	160	-8%	▼
Design, Development & Testing	15	-17%	▼
ICT & Internet Infrastructure	24	-29%	▼
Other	43	72%	▲
TOTAL	705	6%	

Source: fdi Markets

- ▶ Business Services; Sales, Marketing & Support; and Manufacturing were the top three business activities for FDI projects
- ▶ Value of Extraction projects dropped 32 percent in 2015 to \$15.1bn
- ▶ Infrastructure-related business activities made up 13 percent of all projects & 44 percent of capital invested.
- ▶ Electricity, in particular, saw a 49 percent increase in capital investment and a 91 percent increase in project numbers
- ▶ Education & Training projects saw a 138 percent increase in 2015

Business activity:

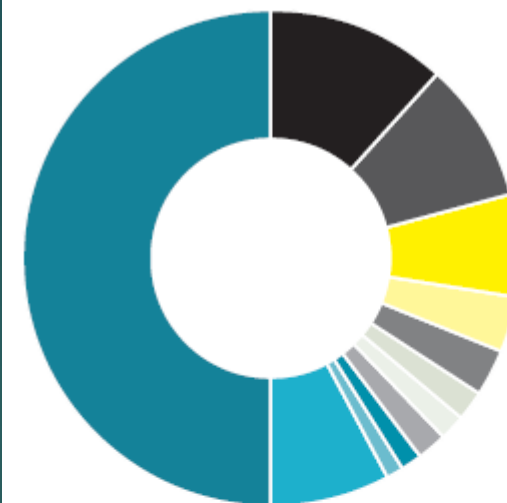
Case study Morocco



Sectors

- ▶ Financial Services was the top sector by project numbers in Africa for 2015 with 118 projects
- ▶ As in 2014, the Coal, Oil & Natural Gas sector ranked top for capital investment - \$15.7bn invested.
- ▶ Business Services sector saw an 80 percent increase in project numbers to 99, and a 99 percent increase in capital investment to \$1.2bn
- ▶ Food & Tobacco projects saw a 23 percent decrease in 2015. However, overall capital invested in the sector increased by 46 percent to \$2.3bn.

**SECTOR BREAKDOWN OF FDI IN
AFRICA BY CAPITAL INVESTMENT 2015**



% Market share	Capex (\$bn)*	Sector
24%	15.7	Coal, Oil & Natural Gas
18%	12.2	Alternative/Renewable Energy
13%	8.7	Real Estate
8%	5.1	Communications
6%	3.8	Metals
4%	2.6	Automotive OEM
4%	2.5	Building & Construction Materials
3%	2.3	Food & Tobacco
3%	1.9	Warehousing & Storage
3%	1.7	Chemicals
15%	10.0	Other

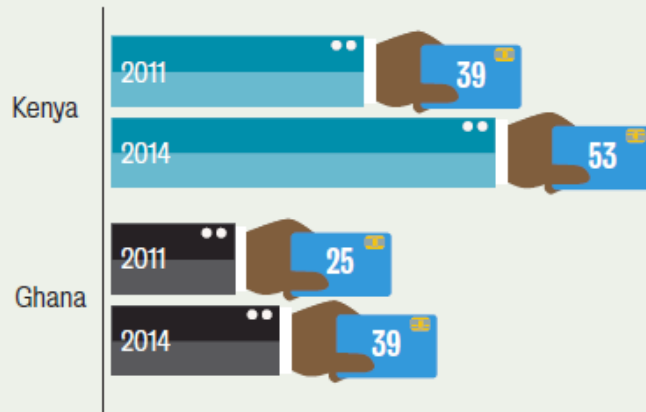
Source: fDi Markets
*includes estimates

THE FINANCIAL SERVICES INDUSTRY IN KENYA AND GHANA

Inward financial services projects 2015



Percentage of people in rural areas that have a bank account



Source: The World Bank, Global Financial Development Database*
* Accessed via Analyse Africa

Sectors (cont.)

- Over \$12bn was invested in Alternative/Renewable Energy. Clean energy sector up 23 percent in capital investment.
- Fossil fuel declined by 52 percent.

TRENDS IN 2015

-52%

Coal, Oil & Natural Gas saw a decrease in investment of 52 percent

(FDI Markets)

\$12.2bn

Capital investment in the Alternative Energy sector increased 23 percent, to \$12.2bn

(FDI Markets)

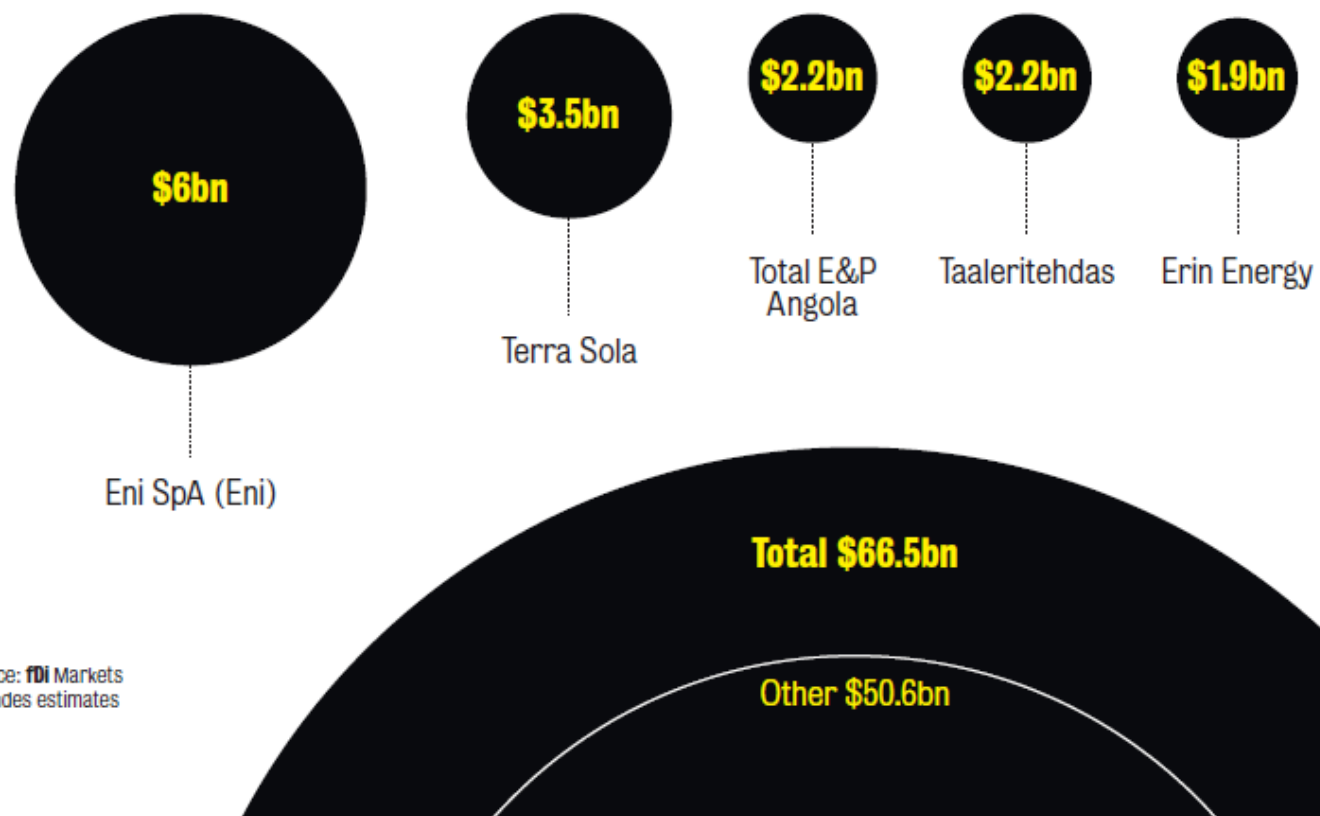
-27%

The Real Estate sector experienced an FDI decline of 27 percent

(FDI Markets)

Companies

Top investing companies in Africa by capital investment 2015 (\$bn*)



Source: fdi Markets
*includes estimates

**TOP INVESTING COMPANIES IN AFRICA
BY PROJECT NUMBERS 2015**

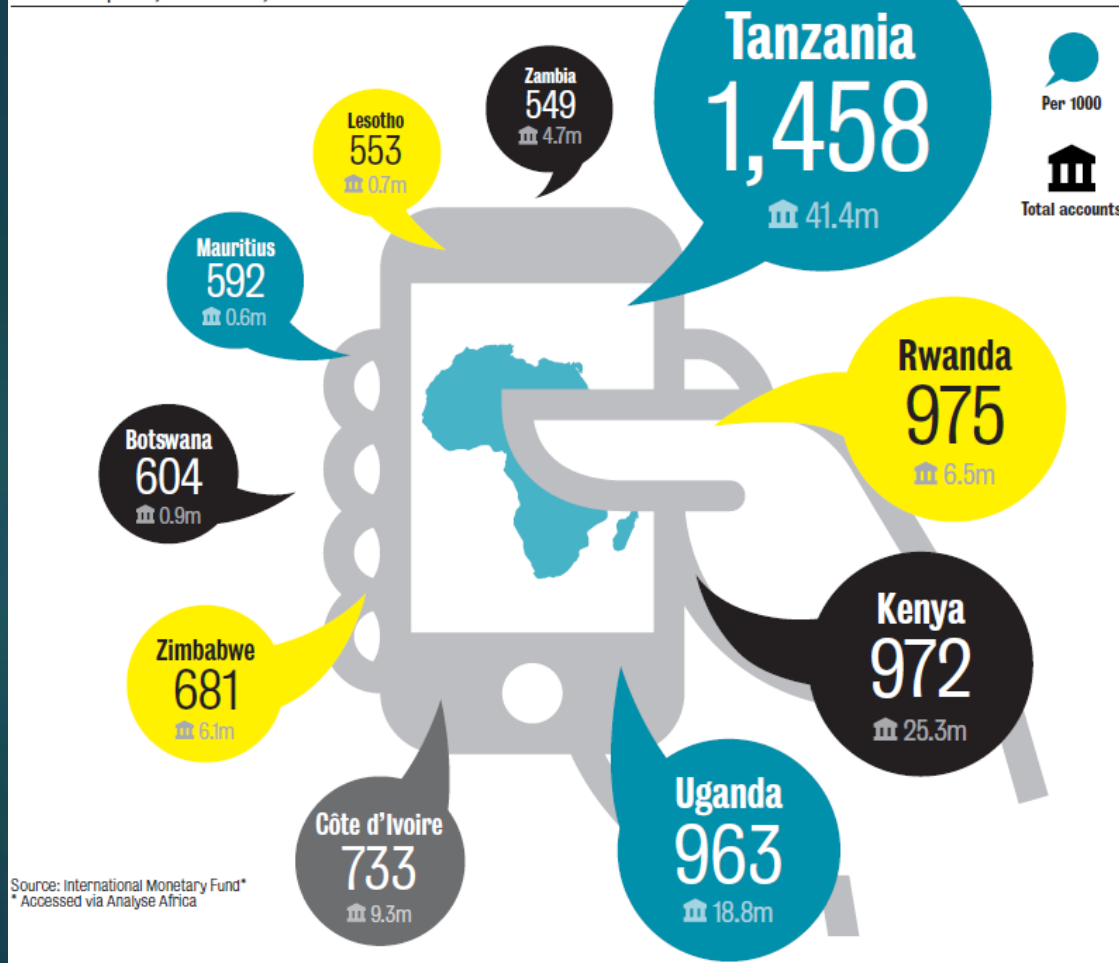
Company	Projects
Equity Bank	10
UAE Exchange Centre	10
Access Infra Africa	9
Bridge International Academies	9
Faulu Microfinance Bank	8
Other	449
Total	495

Source: fdi Markets

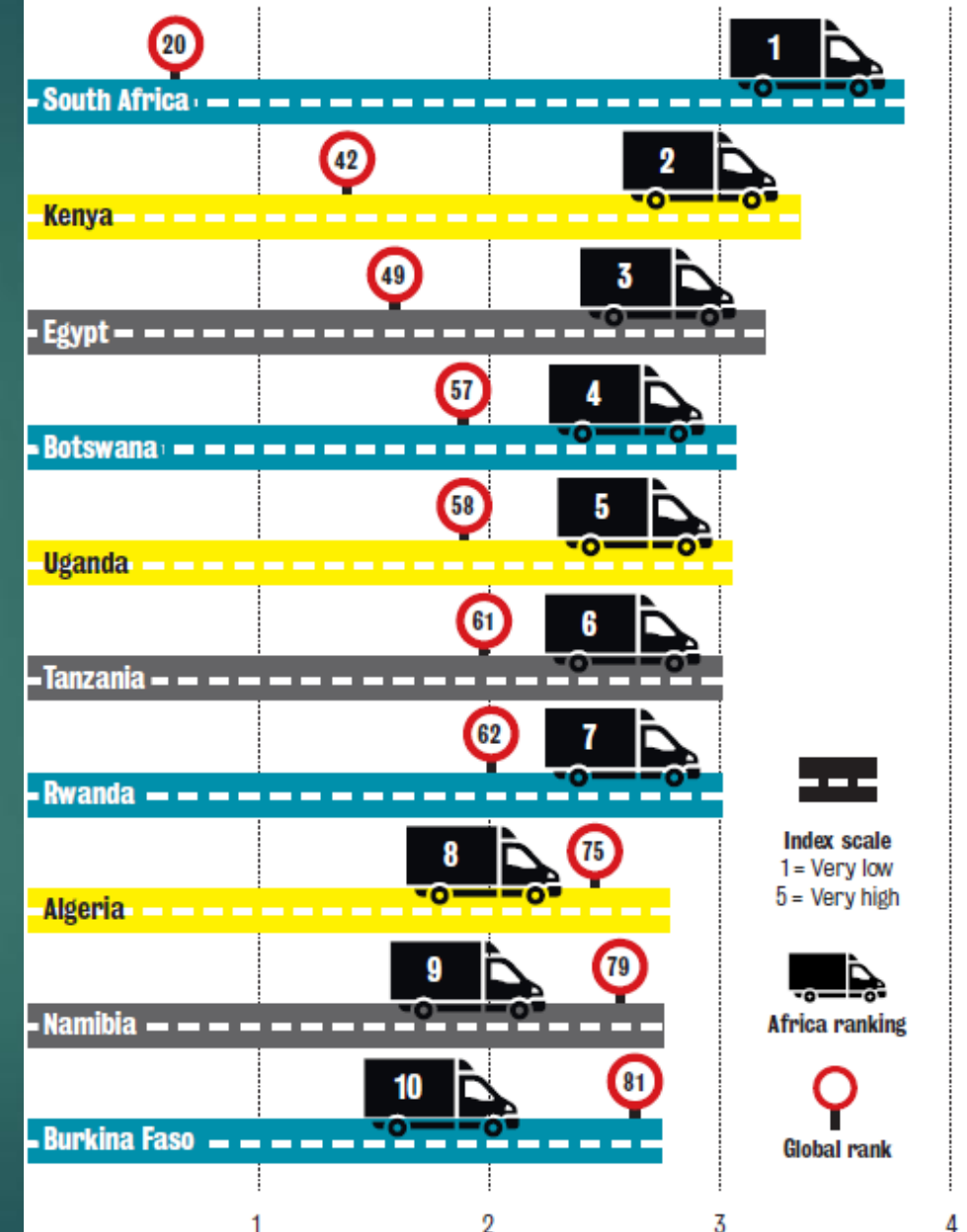
Africa by the numbers

Registered mobile money accounts

Top 10 African countries for registered mobile money accounts per 1,000 adults, 2014



Logistics Performance Index, 2016



Source: World Bank, Logistics Performance Index*

* Accessed via Analyse Africa

Trends to watch in 2016/17:

- ▶ Oil exporters vs. Oil importers
- ▶ Demographic shifts, urbanization
- ▶ IMF interventions
- ▶ Fed rise
- ▶ Trump administration

For further information:

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