

Africa: Now Open for Business

10 year trends and 2013 findings

AlixPartners

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OBJECTIVE:

The survey was conducted in order to better understand the extent to which senior executives were aware of opportunities in the region and to identify any concerns they had. In addition, to see whether companies were already investing in Africa, and if so, which countries. The survey also sought to identify industries that viewed Africa as strategically important and whether they understood the risks involved.

METHODS USED:

The survey group was comprised of chief operating officers, general counsel, and other senior executives who are responsible for legal, compliance, and corporate business development primarily from U.S. companies with annual revenues of \$250 million or more.

KEY FINDINGS:

- 68% of respondents indicated that their companies are currently not doing business in Africa.
 - Of the 68%, 60% said Africa was important to their overall business.
- South Africa was perceived as the most attractive country to do business in followed by Egypt, Nigeria, Kenya, and Ghana.
- 52% said that doing business in Africa was as or more attractive than the former Soviet Union.
- 32% of those not currently operating in Africa indicated more predictable regulatory processes and interactions with government officials as the area that needs the most improvement.
 - 58% indicated they are not considering doing business in Africa.
- 75% of those who are already operating in Africa indicated the biggest area for improvement is in having a more transparent local business culture.
- Respondents stated that having more stringent regulatory enforcement by host governments authorities would reduce their business' exposure to corruption in Africa.
- Only 6% of companies that currently operate in Africa feel they have a strong understanding about varying opportunities and risks in Africa relevant to their sectors.
 - 51% of companies not currently operating in Africa indicated their understanding is very limited.

CONCLUSION:

- The survey indicated that even with the progress Africa has made, they continue to be plagued by negative perceptions and limited understanding of its investment prospects. This could present lost opportunities for all sides. Africa presents excellent risk-reward returns for those with reliable information and trusted partners who will help guide businesses through business decisions.

[Full Survey](#)