

# Working for Africa

 By [Nicci Botha](#)

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The third and final day of the EMRC Africa Finance and Investment Forum (AFIF) saw presentations on agricultural investment opportunities on the continent as a whole, filtering down to what the South African government is doing to remove trade barriers for foreign investors.



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Then the winner of the EMRC AFIF Entrepreneurship Award explained his company's plans for the future.

## Growing in Africa

"This is a much maligned continent - even cartographers have it in for Africa, which when flattened out looks smaller than it is," says Hywel George, director of investments, Old Mutual Investment Group.

But in truth, Africa has lots of land, and very few people buying, so it's ripe with opportunity for investors in the agricultural sector.

"Land prices have doubled in America and tripled in Europe, while in Africa they've hardly moved."

"Also governance has improved and there's been economic growth on the continent. There's been a steady growth in GDP of 5-6% in the last decade and there has been a decline in the dictatorships and family-run countries since the fall of the Berlin Wall in 1990," he explains.

Furthermore, Africa has a young population with a median age of 18.6, while it's 45 years old in Europe. Many of these youngsters are moving to cities, doubling the middle class to around 348 million people.

"For investors, Africa's gone from 'not interested' to 'let's talk now'," George says.

## **Investment policy and opportunities in South Africa**

In the past few years, South African policymakers have taken giant strides in making foreign investment easier, by removing many of the barriers to trade such as exposure to risk.

"South Africa offers strong protection to foreign investment - all investors have remedies through administrative justice and protection under the constitution," says Niki Kruger, chief director: Trade Policy and Negotiations, Department of Trade and Industry (DTI).

After a lengthy investigation into the government's investment protection policy, Kruger and her team took a number of recommendations to Cabinet to restructure the country's laws and regulations relating to foreign investment.

"South Africa receives the most foreign investment and is the biggest contributor to the rest of Africa. But we have found that treaties are not efficient nor necessary for foreign direct investment. In 2010, Cabinet reviewed the suggestions, and decided to terminate all existing bids and bilateral treaties that were coming up for review."

"We have a new model for the bidding process, and the new Act that has gone through parliament adds no new obligations on investors, provides access to international courts and state-to-state arbitration," Kruger says.

## **AFIF Entrepreneurship Award**

Since its inception as an impact investment into an African agribusiness, the AFIF Entrepreneurship Award has grown to include any entrepreneurial venture on the continent.

Originally, the prerequisites were that the enterprise had to be a cooperative that was strongly contributing to the community for which the winner received \$15,000, sponsored by Rabobank.

"Now the criteria for submissions include solid financials and it should not be a green fields project. This year we had 50 excellent submissions, of which four finalists were selected," says Idit Miller, vice president and managing director of EMRC, Belgium, the organisers of the forum.

This year's winner was Raphael Group, a Tanzanian company that processes rice, groundnuts, beans and sunflower.

"It means a lot to us to win, as it will help us to improve our marketing and advertising and expand our distribution chain into Malawi, the DRC, Zimbabwe and South Africa," says Lazaro Mwapiselli, Raphael Group general manager.

*The Africa Finance and Investment Forum took place at the Lord Charles Hotel in Somerset West from 24-26 November 2015. For more information, go to [www.emrc.be](http://www.emrc.be).*

## **ABOUT NICCI BOTHA**

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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