

# Increase in activity of Moroccan, French companies in Sub-Saharan Africa

CASABLANCA, Morocco - Aware of the unprecedented impetus of African economies and of the potential offered by the various national and sub-regional markets, Moroccan and French companies are demonstrating new ambitions in Africa, which are expressed in their development strategies on the continent.



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According to the third edition of BearingPoint's International Development Barometer of international firms, 'Developing in Africa: comparisons of Moroccan and French companies', which is produced in conjunction with the Moroccan Exporters' Association (Asmex), the five main countries where the 250 Moroccan and French companies surveyed are most established, are Algeria, Cameroon, Ivory Coast, Mali and Senegal.

Senegal, Ivory Coast and Gabon are in the lead for the Moroccan companies questioned, which are mainly present in West Africa. Ivory Coast, Morocco and Cameroon hold the first three places for the French groups questioned, which are also based in some English-speaking countries (Nigeria, South Africa and Kenya).

Regarding the type of operations conducted by the companies in the group, over 60% of Moroccan responders export and distribute their production in sub-Saharan Africa, often through a network of partners, which represents the first step before considering setting up in the region. A step ahead, the French companies have more local sites, especially in the conversion and industrial sectors.

"We nevertheless see that Moroccan companies - which are in fact quite new on the continent compared with their French counterparts, some of which have been present for more than a hundred and fifty years - are starting to catch up. Afro-optimism is now a feeling which is widely shared by Moroccan and French company directors, and reflected in the growth strategies and the investments committed," explains Jean-Michel Huet, associate at BearingPoint.

Five years ago, 86% of Moroccan companies questioned said that Africa represented less than 5% of their turnover. In 2016, the continent accounts for more than 5% of revenues for almost half of the respondents, and 20% of them believe that Africa will represent more than 50% of their global turnover in the next five years.

"For some years now, we have witnessed a very strong drive from the Moroccan private sector towards the sub-Saharan region. Support from the authorities in the country and the successes achieved, in particular by finance departments and real estate, have accelerated this movement," explains Hassan Sentissi, president of the Moroccan Exporters' Association (Asmex).

This optimism is also observed in France. Five years ago, 49% of the companies questioned said that Africa represented less than 5% of turnover. In 10 years, Africa's share of the total turnover of respondents will have increased by 75%.

"These Moroccan and French figures confirm a major trend: the 'African risk' relating to the political situations and the business environment no longer represents an insurmountable obstacle. The potential and opportunities on the continent - which will have 2 billion inhabitants in 2050, with over 900 million of these belonging to the middle class - are much more powerful parameters for companies when defining their international development strategies," explains Huet.

The potential of African markets (purchasing power and number of customers) is the first criterion accounting for the presence of French companies in Africa, and the second criterion for their Moroccan counterparts.

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