

Investor sentiment high in Africa

Forecasts of solid regional growth on the continent are sending investor sentiment high when it comes to investing in Africa. The first *Business Barometer: Africa CEO Survey* carried out by the Oxford Business Group (OBG), has been launched.



© TAKASHI HONMA via [123RF](#)

The OBG survey indicates high levels of confidence among executives, buoyed by a gradual recovery in commodity prices and strongly performing tertiary sector.

An agreement signed in March by more than 40 African leaders to create a framework for a single market for Africa's goods and services, known as the Continental Free Trade Area (CFTA), is likely to provide business sentiment with a further boost, although its implementation will present challenges and the benefits of such a deal will take time to trickle down.

This is a new project for the global research and consultancy firm, OBG, which adds Africa, the continent, to its growing portfolio of country-wide business barometers with a first-time regional study.

As part of the research for its Africa survey, OBG asked around 1000 C-suite executives from nine countries a wide-ranging series of questions on a face-to-face basis. As a result, OBG was able to gauge and analyse regional investor confidence, while also noting varying national perceptions within the continent.

Survey

The largest number of responses were taken from Morocco, followed by Côte d'Ivoire, Egypt, Nigeria, Ghana and Kenya, with the smallest share of answers collected from Tanzania, Tunisia and Algeria. The results are now available to view in full on [OBG's Editors'](#).

Almost three-quarters (74%) of executives surveyed told OBG that their business was likely or very likely to make a significant capital investment in the coming 12 months.

An even higher share (84%) of respondents described their expectations for local business conditions as positive or very positive, in views that echoed the UN's predictions for regional growth of 3.5% in 2018.

Some executives interviewed were even more bullish in their projections for their own market; around 19% told OBG they thought full-year GDP growth would reach 4-5%, with a further 18% forecasting the domestic economy to expand by 6%.

Asked which external event they thought would weigh most heavily on growth in the short to medium term, the largest share of business leaders (34%) cited a rise in oil prices, while 31% chose increased instability in neighbouring countries.

OBG also surveyed executives on which skills they felt were most in need in the workplace – a topical issue, given Africa's growing young population and evolving economy. Almost one-third (32%) cited leadership skills as in greatest demand, well ahead of R&D and engineering, each of which garnered a 16% share.

Commenting on the results in her blog, Souhir Mzali, OBG's regional editor for Africa, said that while the CFTA agreement signalled a commitment among the 44 signatories to establishing a single market that would allow the free movement of businesspeople and investments across the continent, questions were already being asked about whether Africa was ready for such a deal, while the decision of Nigeria to remain outside of the bloc could not be overlooked.

"Opinions about how successful the CFTA will be have mostly diverged between those who see it as a crucial move to fostering regional economic integration, and those who deem African markets unprepared for heightened levels of competition," she noted.

One line of thought, Mzali added, was that Africa needed to address key issues, including its infrastructural gaps, poor transportation networks, red tape and corruption, to significantly improve intra-regional trade. She also acknowledged, however, that the continent had experienced solid economic expansion since the turn of the century, despite facing these and other hurdles.

"As the continent's middle- and high-income groups continue to expand, services are poised to develop further. Household spending is expected to rise in a range of areas, particularly in ICT, transportation, education and housing," she said. "In the longer run, generating employment for the continent's ever-growing youth population will be key to ensuring social and economic prosperity."

Mzali's in-depth evaluation of the survey's results can be found on OBG's Editor's Blog,

Titled, *Next Frontier*. All four of OBG's regional managing editors use the platform to share their expert analysis of the latest developments taking place across the sectors of the 30+ high-growth markets covered by the company's research.

The OBG Business Barometer: CEO Surveys features in the Group's extensive portfolio of research tools. The full results of the Africa survey will be made available online and in print. Similar studies are also under way in the other markets in which OBG operates.

Methodology

- 16% of companies surveyed were based in Morocco

- 14% of companies surveyed were based in Côte d'Ivoire
- 13% of companies surveyed were based in Egypt
- 11% of companies surveyed were based in Nigeria
- 11% of companies surveyed were based in Ghana
- 10% of companies surveyed were based in Kenya
- 9% of companies surveyed were based in Tanzania
- 9% of companies surveyed were based in Tunisia
- 8% of companies surveyed were based in Algeria

The data generated allows for analysis of sentiment within an individual country, as well as regionally and globally. Additionally, comparisons can be drawn between both individual countries and regionally. The results are presented statistically within infographics and discussed in articles written by OBG managing editors.

OBG provides this survey, infographics and accompanying analysis from sources believed to be reliable, for information purposes only.

Oxford Business Group (OBG) is a global research and consultancy company with a presence in over 30 countries, from Africa, Asia and the Middle East to The Americas. A distinctive and respected provider of on-the-ground intelligence on many of the world's fastest growing markets, OBG has offices in London, Berlin, Dubai and Istanbul, and a network of local bureaus across the countries in which we operate.

Through its range of products, OBG offers comprehensive and accurate analysis of macroeconomic and sectoral developments, including banking, capital markets, tourism, energy, transport, industry and ICT. OBG provides business intelligence to its subscribers through multiple platforms: Economic News and Views, OBG Business Barometer - CEO Survey, Roundtables and conferences, Global Platform - exclusive video interviews, The Report publications and its Consultancy division.

For more, visit: <https://www.bizcommunity.com>