

Foreign direct investment in Africa at all time high

Capital investment into Africa surged to US\$128b, a year-on-year increase of 136%. This is according to the recently released EY 2015 Africa Attractiveness Survey, which reveals that the average investment per project increased to US\$174.5m, up from US\$67.8m in 2013.



Charles Brewer

Charles Brewer, managing director of DHL Express Sub-Saharan Africa (SSA), says that this is positive for the continent's outlook, and highlights that FDI in the region is being stimulated by a number of megadeals instead of numerous smaller deals.

"The perception of investing in Africa has traditionally been rather negative, coupled with the fear of the unknown. However, in 2014, traditional investors refocused their attention on the continent, attracted by its strong macroeconomic growth and outlook, improving business environment, a rising consumer class, abundant natural resources and infrastructure development. These factors resulted in global capital investment and job creation on the continent hitting an all-time high in 2014."

Brewer says that efficient infrastructure is critical for ensuring the effective functioning of the continent. "As it stands, underdeveloped infrastructure drives up logistics costs, and it is estimated that supply chain costs are up to nine times more expensive in Africa in comparison to other regions in the world.

"With increased FDI and continued macroeconomic growth, I believe that Africa will be an economic powerhouse in the future. The region is abound with untapped opportunities and has much scope for growth."

Major projects underway

Brewer says it is for this reason that DHL Express continue to see SSA as one of the most prominent areas of growth for the business globally, and, therefore, continue to invest significantly in the region.

"DHL Express continue to invest significantly in SSA in order to 'Lift The Platform', expand our capabilities and cater for continued growth across all markets, with planned investment of millions of Euros across SSA in 2015. Major projects underway include upgrades to facilities and shipment handling systems in South Africa, Kenya, Uganda, DRC, Rwanda, Angola, Zimbabwe and Botswana. Later this year, we will begin planned upgrades in Ghana, Nigeria, Ethiopia, Benin, Cameroon, Guinea Republic, Gabon, Tanzania, Mauritius and Cote D'Ivoire.

"In addition to facility upgrades, we have a number of vehicle and technology upgrades taking place this year, along with ongoing employee and SME development programmes.

"Continued focus and investment in market-leading infrastructure will better connect Africa to the rest of the world and create more opportunities for African businesses, allowing them to trade across borders and with new target markets. DHL Express is committed to not only connecting others to Africa, one of the world's largest frontiers for growth, but to making the rest of the world the next frontier for Africa," concludes Brewer.

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