

WHERE TO INVEST IN AFRICA 2024



A LEADING AFRICAN CORPORATE AND INVESTMENT BANK

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FOREWORD

Africa is navigating significant turbulence and transformations from multiple fronts. Geopolitically, there are two major wars that are driving the world economies into three axes – United States, China and the non-aligned and persistent tensions between the US and China are disrupting global value chains.

The war between Russia and Ukraine – the first major war in Europe in many years – has fuelled the deglobalisation which gained momentum from the Trump administration’s trade taxes on China and was later reinforced by the global policy response to the COVID-19 pandemic. The other war, between Hamas and Israel, is also adding to global divisions on moral and humanitarian grounds but in less disruptive ways to trade so far.

Economically, global inflation has proved more persistent than initially thought, forcing major central banks to maintain policy rates at high levels for longer than anticipated and keeping the cost of funding for many African countries elevated.

Amid these cross currents, Zambia and Ghana were forced to undergo painful debt restructuring processes that resulted in currency devaluations. Egypt and Nigeria, on the other hand, had policy-driven currency devaluations due to misalignments in their balance of payments. In this age of social media disinformation, a headline that reads “Africa is no longer investible.”

But Africa is not a country. It is a complex and diverse continent of 54 countries that differ in economic

performance and potential, market accessibility and innovation, economic stability and investment climate, as well as in social and human development – all of which are factors that have been proven to determine a country’s progress and therefore its investment potential.

These are the factors that this report, the *RMB Where to Invest in Africa* (WTIIA), amalgamates using a simple yet robust methodology to consistently produce one metric that gives an investor a sense of how each of the 31 countries we analysed, jointly accounting for 92% of Africa’s GDP, stacks up. The methodology used still allows the investor to uncover the underlying drivers of a country’s performance that inform its ranking. The WTIIA report provides insights of where policy can be

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used to change countries' future performances and therefore their relative investment attractiveness.

It is difficult, if not impossible, to perfectly characterise a country's investment potential using one all-encompassing indicator due to the many factors that drive investment attractiveness. Therefore, there is a need to constantly update methodologies from those that are based on fewer dimensions of a country's structure to those that have more encompassing dimensions that capture a country's complexity in a better way.

This is exactly what the 2024 WTIIA report does. The availability of new data sources for many African countries has enabled and necessitated an evolution from the methodology we have used since the inception of the WTIIA report in 2011. Our updated methodology is intuitive yet robust and still maintains transparency by using publicly available data.

This report does not provide a definitive consideration in deciding Where to Invest in Africa. We hope that investors will use it as a valuable part of any investment

process to augment due diligence when determining where to deploy capital for better risk-adjusted returns and impact within the diverse countries of Africa. For policymakers, we hope this report is a resource to help identify areas where policy can be improved to attract investments.

We invite you to partner with us in the development of Africa, a place we call home, and her people united in diversity.

Isaah Mhlanga
Chief Economist, RMB

WHY AFRICA?

Although the exact number of countries across the African continent is contested – most observers agree that the continent is made up of 54 countries – there is broad consensus that the continent boasts a plethora of cultures, languages, ethnicities, religions, and beyond.

Africa ranges from vast copper belts and fertile, agriculture-based economies to technology hubs and tourist destinations. Its built environment extends from port cities and rural villages to buzzing cosmopolitan metropolises.

Africa is diverse and nuanced, and failing to appreciate its full depth and breadth can lead to misunderstandings and underestimations. It also can result in perceptions that fail to map onto reality. Part of the misjudgement of Africa's vastness and complexity is a consequence of poor data and statistical capacity. There are major data gaps. This was particularly evident, for example, during the COVID-19

pandemic many African governments had insufficient and unreliable data for accurate public health decision-making.

In May of 2020, a time when the COVID-19 virus was well established around the globe, Nigeria reported just 103 deaths from COVID-19 and 3,145 confirmed infections. However, in a country with a population of 218 million, fewer than 22,000 people had been tested, suggesting a tremendous undercounting of the impact of the virus.¹

Investors, executives, capital allocators, management teams, scholars, and entrepreneurs find similar

In May of 2020, a time when the COVID-19 virus was well established around the globe, Nigeria reported just 103 deaths from COVID-19 and 3,145 confirmed infections. However, in a country with a population of 218 million, fewer than 22,000 people had been tested, suggesting a tremendous undercounting of the impact of the virus.

challenges when evaluating markets in Africa. Economies on the continent tend to be poorly understood and underrepresented in databases. Historically, a “lack of data has also meant that Africa was left out of academic debates about patterns of long-run growth.”²

The task of closing this gap in data – and, by implication, knowledge – is made difficult by multiple ongoing challenges. Africa’s relatively large informal economy makes data collection a very different task than statisticians experience in highly developed economies. The informal economy “is by definition unrecorded, so the data added to national accounts is very malleable.”³

The continent’s businesses are also more likely to be informal⁴ than contemporaries in advanced nations. In 2018, global consulting firm McKinsey & Co. could tally just 338 companies in Africa with revenues of US\$1.0bn per year.⁵ At the same time, it is estimated that there are as many as 80 million mid-small-and-micro-sized enterprises (MSMEs). Relatively high levels of corruption⁶ and multiple conflict zones add to the difficulty of reliable data.

An example of the paucity of data for Africa. “Although the online United Nations National Accounts database

provides gross domestic product (GDP) data in current and constant prices for 47 sub-Saharan countries for each year from 1991 to 2004, the United Nations Statistical Office had, as of mid-2006, actually received data for only just under half of these 1,410 observations and had, in fact, received no constant price data whatsoever on any year for 15 of the countries for which the complete 1991-2004 online time series are published.”⁷

However, in a highly globalised and increasingly digitised world, we have better data coverage than ever before. With larger portions of the continent covered by more comprehensive and reliable data each year, it is important that we harness this information to build clearer pictures of Africa’s investment landscape.

For this issue of the RMB Where to Invest in Africa report, we have built a scorecard for 31 countries drawing on 20 different metrics made up of rich data spanning four measurement pillars. The data covers everything from GDP per capita to human development drawing on publicly available data sets from global institutions, including the World Bank, the IMF, the African Development Bank, the United Nations, and the International Labour Organisation.

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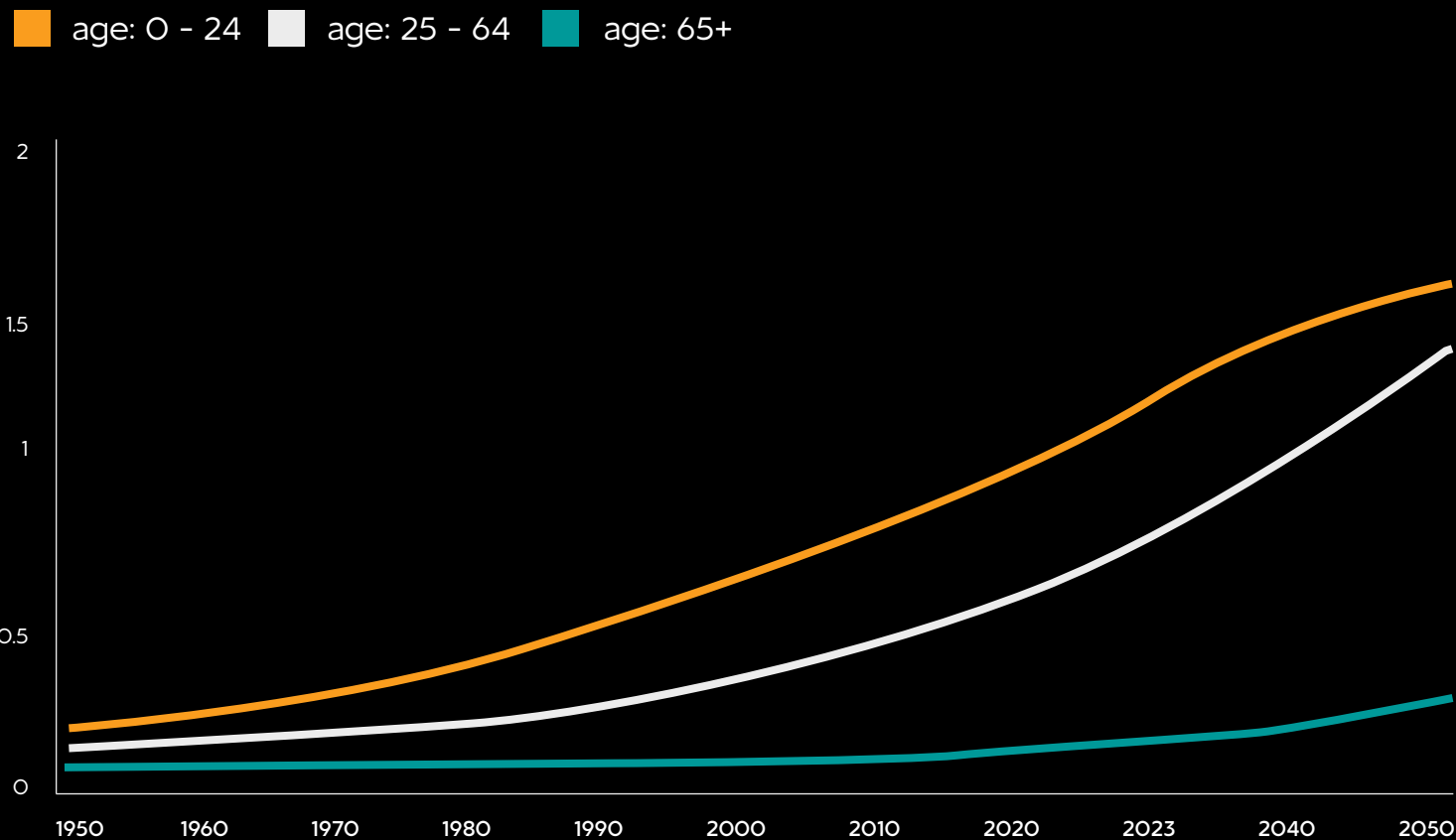
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FIGURE 2
Share of Africa's population growth by age bracket (billions of people)



Source: Ambrosetti (2022) using UN Department of Economic and Social Affairs data (estimations beyond 2022).

by relatively high birth rates, falling rates of infant mortality, and rising life expectancy.

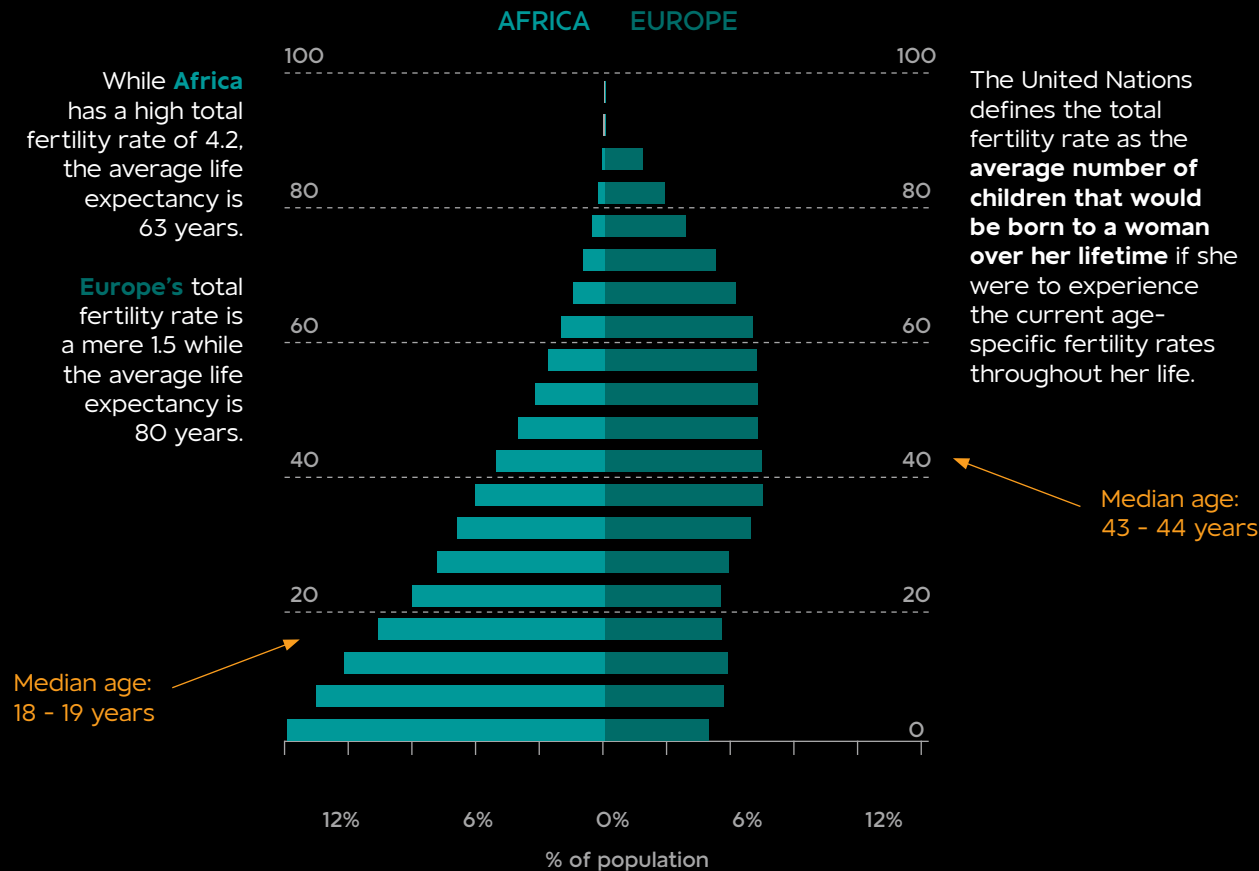
In the context of declining fertility rates in high-income countries worldwide⁹, the United Nations projects that by 2050, Africa's population will reach close to 2.5 billion.¹⁰ This would mean that a quarter of the world's population will reside in Africa.

The age distribution of this population adds to the analysis. This is a young population, and the proportion of younger people will increase over the next few decades. As Figure 2 shows, the proportion of people of working age will grow sizeably over the next quarter of a century.¹¹

This age distribution stands in stark contrast to other parts of the world. Consider Europe, where the population is aging quickly. Figure 3 captures this graphically with a population pyramid. Africa's low "centre of gravity" translates, in economic terms, into a large, young population ready to enter the workforce. This has tremendous positive economic prospects if there are enough employment opportunities open for this workforce.

Europe's age distribution pyramid, however, demonstrates a declining number of people entering

FIGURE 3
Population pyramid for Africa (left) and Europe (right)



Source: United Nations Department of Economic and Social Affairs

their productive years and a growing number of people moving into retirement. This places an increasing financial burden on the shrinking pool of younger people in Europe, and similarly for most other developed markets.

Thus far, we have focused on the potential for a demographic dividend. The converse is also possible. While a growing, healthy, productive youth sector is an economic boon, this is not guaranteed. Where society fails to provide young people with a nurturing environment, we risk fostering a disaffected youth contingent. Strong institutions, stable policies, safe communities, educational and employment opportunities, and more are all required to ensure the continent experiences a demographic dividend.

NATURAL RESOURCES ENDOWMENT

Africa's 30 million square kilometres¹² is also home to vast mineral and natural resources. Approximately 30% of the globe's critical mineral reserves are in Africa.¹³ Nearly two thirds of the globe's remaining uncultivated arable land is also on the continent.¹⁴ Yet, Africa is a net importer of food.¹⁵

We can even see the scale of Africa's potential if we shift our gaze off its 30,500km¹⁶ coastline.

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“Three of the six large marine ecosystems (LMEs) of Africa rank within the first four most productive LMEs in the world, with the Canary Current, the Benguela Current and the Somali Coastal Current ranking second, third and fourth globally.”¹⁷

This natural resource endowment takes on a new, elevated importance in an era of electric vehicles and renewable energy. Madagascar, Mozambique and Tanzania account for more than one-fifth of the world’s graphite reserves.¹⁸ This is a critical ingredient for lithium-ion batteries that are used in electric vehicles and other energy storage systems.

Most of the world’s cobalt, with a similar usage profile to graphite, is mined in Africa, with the Democratic Republic of the Congo (DRC) alone accounting for 70% of the world’s supply.¹⁹

Much like the case with Africa’s human resources, the mineral advantage comes with a caveat. Africa, and other resource-rich regions, has suffered from the so-called “resource curse”. Despite the many benefits of having valuable resources under one’s feet, there is a tragic tendency to not merely fail to benefit from these, but to suffer because of them.

Mineral riches can result in exploitation, corruption and division. But this need not be the case. Norway’s sovereign wealth fund, capitalised with earnings from oil and gas, is perhaps the leading aspirational example, where the fund’s reserves equate to US\$290,000 per citizen.

Norway’s proven reserves of 8.1 billion barrels are a touch ahead of Angola’s proven reserves of 7.8 billion barrels. The difference in outcomes is well documented – and glaring. This also points to the incredible prospects embedded in these resources.

INFRASTRUCTURE OBSTACLES AND OPPORTUNITIES

Perhaps the most pressing need and interesting opportunity lies in Africa’s voluminous infrastructure deficit. Human resources, land and deposits are too often held back by a lack of the necessary infrastructure to fully unleash their productive potential.

Consider that although roads are the primary mode of transport, accounting for 80% of goods and 90% of passenger traffic, just over 40% of rural Africans have access to an all-season road.²⁰ And “just 53% of roads on the continent are paved, isolating people from

access to basic social services, including healthcare, education, trade hubs and economic opportunities.”²¹ Similarly, despite a number of famous, large and navigable rivers on the continent, “the absence of navigable rivers into the hinterland limits the use of such a mode of transport.”²²

Additionally, as the Wilson Centre puts it, “while North Africa has almost reached universal access to electricity and water services, in sub-Saharan Africa, only about 45% of the population have access to reliable electricity and around 60% of the population have access to water service. This means some 600 million people do not have access to electricity.”²³

In this vein, a recent count put the number of dams in sub-Saharan Africa at a total of 980 large dams. South Africa is home to 589 of these dams. By contrast, there are over 15,000 dams in Canada alone. Some 1,157 are categorised as large dams as defined by the International Commission on Large Dams (ICOLD). Therein lies the obstacle and the opportunity. Africa has an estimated annual infrastructure investment gap of US\$100bn.²⁴ This is approximately the annual spend of Germany, France, Italy, Spain and Portugal combined and almost as much as the US’s US\$110bn spend per year.²⁵

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A MODEL FOR AFRICA

“All models are wrong, but some are useful”. This truism of statistician George Box is a sound caveat when introducing any model - especially so with a long-run model of something as complex as the future of multiple inter-related countries spread across the world’s second largest continent.

FOUNDATIONS

This 2024 edition of the *RMB Where to Invest in Africa* report expands on prior editions. The previous edition, the 2021 version, was built during the global crisis that was COVID-19. So dominant was that force at the time that we opened that report as follows: “2020 held great promise. Positive global prospects at the beginning of the year were captured in cheerful business and financial market sentiment. However, that positivity quickly dissipated as SARS-CoV-2 swept across the globe.”

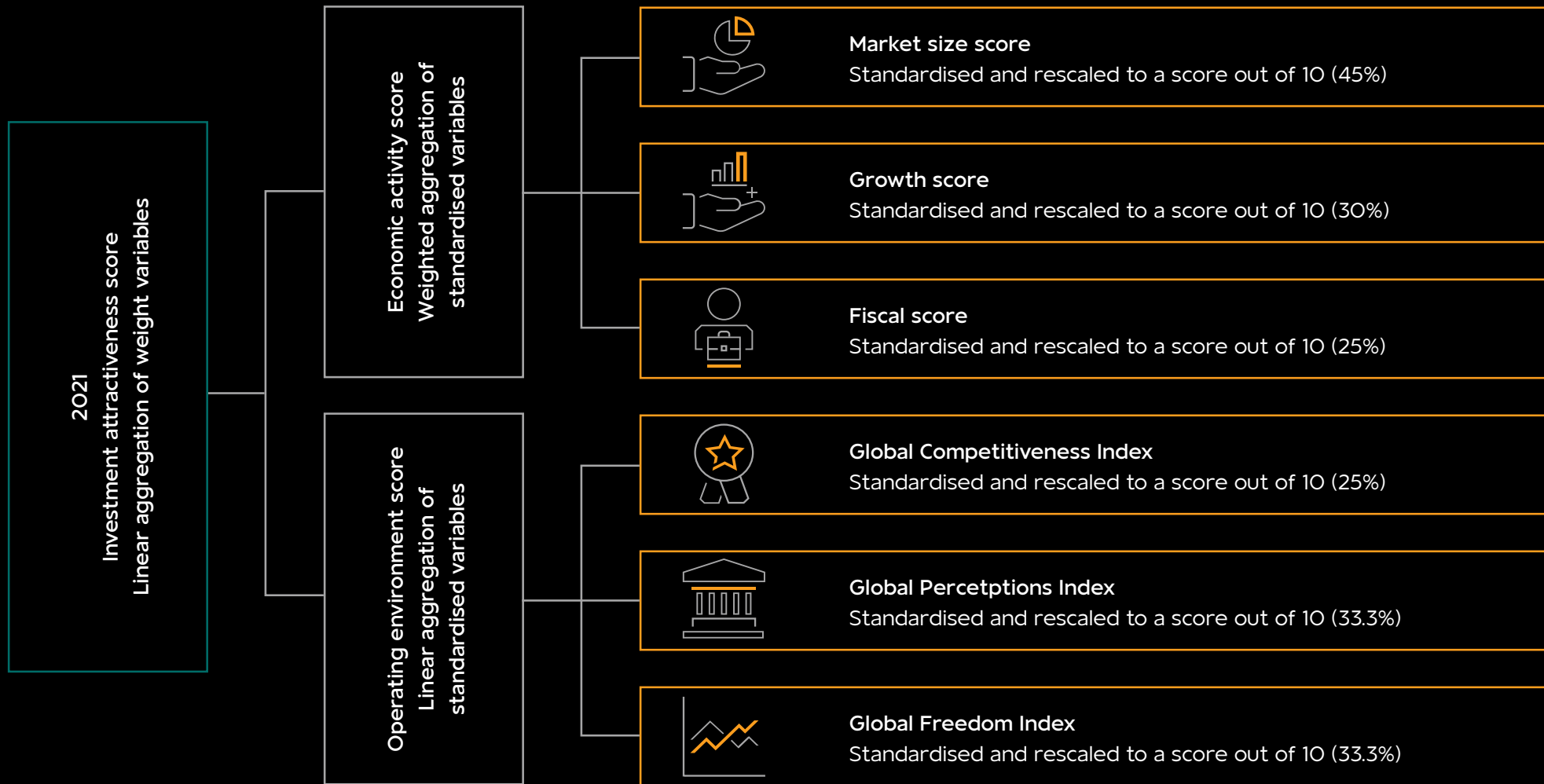
The 2021 edition used a linear aggregation of weighted variables to construct an investment attractiveness index. We divided the attractiveness score into two pillars. These were:

1. Economic activity score – incorporating market size score, growth score and a fiscal score with a weighted aggregation of standardised variables.
2. Operating environment score – incorporating the Global Competitiveness Index, Corruption Perceptions Index and Economic Freedom index.

These two pillars represented our view that the decision to invest is typically based on two key considerations: economic performance/activity and the nature of the business environment.

Where we suggest a particular African country is structurally assembled for an estimate economic growth rate over the next decade, nothing stops the people and leadership of that nation from altering that course.

FIGURE 4
2021 RMB Where to Invest in Africa Index structure



Source: RMB (2021)

WHERE TO INVEST IN AFRICA

The 2024 *RMB Where to Invest in Africa* report is based on the input of experienced professionals and, in part, on work published in peer-reviewed journals to expand on our earlier model. The quantitative model underlying this report stands on the shoulders of the work done on prior editions. In this iteration, we expand our range of input data, extend the granularity, and construct a robust tool to help guide investment decisions in a complex, post-COVID-19 world.

At a fundamental level, we refer to some of the work by Towhidul Islam, Nigel Meade, and Ashish Sood. Their 2022 paper²⁶ published in the *Journal of International Marketing* is a crystallisation of decades of literature on international business and marketing.

Islam et al. draw on data for 28 international operators, spanning 79 countries to evaluate the explanatory power of the four well-established drivers of market entry timing.

The review by Islam et al. confirms that the drivers of this decision are fourfold: macroeconomic attractiveness, market concentration, social heterogeneity, and population density. This closely reflects the foundations of our earlier editions of the model, although the descriptors establish greater granularity.

Among other important findings the authors conclude that “macroeconomic attractiveness [is] the predominant classifier”. More specifically, Islam et al. test the relative importance of each of these drivers, to find one dominant variable. In their words, “we found that macroeconomic attractiveness was twice as important as any of the other drivers”.

Numerically, “we find the following relative importance: macroeconomic attractiveness, 42.7%; market concentration, 14.4%; social heterogeneity, 17.1%; and population density, 18%.”

In short, if we choose one marker that best forecasts success for market entry, macroeconomic attractiveness is twice as important as the next best scoring classifier. One will do well to take this into consideration.

In the current edition of the *RMB Where to Invest in Africa* report we maintain that the investment decision needs to be viewed through both an economic performance lens and an operating environment lens. Thus, building on our previous work, in this updated edition we package this data as follows:

1. Economic performance and potential
2. Market accessibility and innovation
3. Economic stability and investment climate
4. Social and human development

The four pillars are constructed from a total of 20 metrics, each comprising a multi-year database of robust figures drawn from pre-eminent institutions.

Each metric is weighted, which translates into a weight for each pillar. These weights for each metric, and the consequent weights for each pillar are shown below. This all represents the assembly of nearly 38,000 data points into a single model.

Even more important is the fact that we have the capacity to alter the reality this model maps. Where we suggest a particular African country is structurally assembled for an estimate economic growth rate over the next decade, nothing stops the people and leadership of that nation from altering that course.

In fact, that is the purpose of this work. This model is not designed to tell the future. On the contrary, the framework is constructed to gain a view of the likely future, and thereby point to factors that we can change in order to outperform this scenario. This tool unearths structural drivers of sustained, meaningful movements of economic keystones, avoiding any attempt to map or predict short-term or cyclical movements.

To achieve this, we identify the engineered and entrenched metrics that will drive long-run prospects and not fickle, near-term gyrations.

The systematic aggregation of this information is designed to enable the businessperson, investor, or policymaker to scan important metrics and rapidly compare different markets on each basis.

Whether evaluating different East African nations for suitability for an investment, comparing jurisdictions for portfolio investment, or analysing the continent broadly for opportunities, this tool provides users with robust, granular, and clear information to assist them when deciding where, when and how to invest in Africa.



PILLAR	PILLAR WEIGHT	METRIC RANK	Z-SCORES	METRIC WEIGHT
Pillar 1: ECONOMIC PERFORMANCE & POTENTIAL	35%	1	GDP	7.5%
		2	GDP per Capita	5.0%
		3	Growth Structure	2.5%
		4	GDP Growth Forecast	7.5%
		5	Population Size	7.5%
		6	Population Growth	2.5%
		7	Urbanisation	2.5%
Pillar 2: MARKET ACCESSIBILITY & INNOVATION	20%	8	Economic Complexity	5.0%
		9	Connectedness	5.0%
		10	Innovation	5.0%
		11	Import Concentration	5.0%
Pillar 3: ECONOMIC STABILITY & INVESTMENT CLIMATE	25%	12	Forex Stability & Liquidity	5.0%
		13	Economic Freedom	5.0%
		14	Inflation	5.0%
		15	Corruption	5.0%
		16	Political Stability	5.0%
Pillar 4: SOCIAL & HUMAN DEVELOPMENT	20%	17	Human Development	5.0%
		18	Income Inequality	5.0%
		19	Personal Freedom	5.0%
		20	Unemployment	5.0%

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METRICS, Z-SCORES AND RANKINGS

Each country is scored for investability based on the 20 metrics. Most metrics are made up of a single indicator, for example, GDP per capita. Two metrics are built from multiple components. These two metrics are growth structure and forex stability and liquidity. A full explanation of how each of these metrics is built can be found in Annexure 1: Methodology.

Each metric ranks the 31 countries by using a Z-score. The Z-score is a statistical method used to understand the relative position of a data point within a larger dataset. In the context of assessing and ranking countries on various dimensions – such as economic stability, investment risk, or growth potential – the Z-score is particularly useful.

The Z-score standardises different data points, which means it allows you to compare apples to oranges, so to speak. For instance, if you're looking at GDP growth rates and inflation rates across different countries,

these are inherently different metrics with different units and scales. The Z-score converts these into a uniform scale with no units. This is done by subtracting the mean of the dataset from each data point and then dividing this difference by the standard deviation of the dataset. The formula is:

$$Z = (X - \mu) / \sigma$$

Here, X is the data point – for example, a country's GDP growth rate; μ is the mean of the dataset; and σ is the standard deviation. Based on this measure, a Z-score tells you how many standard deviations a data point is from the mean. A positive Z-score indicates the data point is above the average, while a negative Z-score shows it is below the average. This is similar to assessing the performance of a football striker relative to all other strikers in the same league in the same season.



In the French Ligue 2023/24, the top 50 strikers scored an average of eight goals in the season. Elye Wahi, Akor Adams, Romain Del Castillo, and Benjamin Bourigeaud achieved this average in the season.

The standard deviation in number of goals scored in the season among the top strikers is four goals. This tells us that most strikers' goal tallies are within four goals of the league average, ranging between four goals and twelve goals for the season.

Metz's Georges Mikautadze scored 12 goals in the season, giving him a Z-score of one $[(12-8)/4]$ and Nice's Gaëtan Laborde scored four goals in the season, giving him a Z-score of minus one $[(4-8)/4]$. They are both great strikers, but Mikautadze is a standard deviation above average, and Laborde is one standard deviation below average.

If you are in search of exceptional, look no further than Paris Saint-Germain's striker, Kylian Mbappé, who's 26 goals translate into a Z-score of 4.35 – more than four standard deviations above the average goal scorer. By comparison, Erling Haaland's 25 goals for Manchester City in the 2023/24 English Premier League season gives him a Z-score of 3.25 – remarkable, but shy of Mbappe's four standard deviations above the French Ligue average.

Because Z-scores are dimensionless, they allow for direct comparisons across different economic or financial indicators. This can aid in creating a composite score or index that ranks countries based on multiple dimensions, facilitating a holistic view of potential markets or investment destinations.

By using Z-scores, investors can quantitatively determine which countries are relatively more attractive or less attractive on a particular dimension or assessed more holistically against a peer group. This can be crucial for strategic decision-making, including directing investments, evaluating country risks, or planning market entry.

In essence, the Z-score transforms diverse economic indicators into a standardised format that enhances comparability and decision-making effectiveness in the context of capital allocation.

Once we calculated the scores for each metric, we elect to winsorize or "clip" these Z-scores at three standard deviations.²⁷ That is, wherever a country is more than three standard deviations above or below the mean for a data set, its score is limited or moderated to be no greater than three standard deviations from the mean. This prevents any single score – and specifically outliers – from having an outsized effect on the data.

Combining the Z-scores for all 20 metrics gives us the final "clipped" Z-score. This is the final investability score for the tool and determines the country rankings. As noted before, each metric is then weighted to produce a composite score.

AN EXAMPLE

For illustrative purposes, consider the outcome of the model as applied to Algeria. Algeria comes 10th overall out of 31 nations analysed in this model. It also has a ranking under each pillar. For example, it comes seventh for Economic Performance and Potential and this pillar has a pillar weighting of 35%. Getting more granular, we can see Algeria's Z-score and ranking for each of the 20 components. For example, Algeria has the fourth largest economy among the 31 countries as measured by GDP, and the metric score of 0.11 tells us that its GDP size is 0.11 standard deviations above the average.

ALGERIA

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
7	35%	Economic Performance & Potential	4	7.5%	0.11	GDP	US\$ Billions	244.7	84.5	393.9	2.2
			7	5.0%	0.03	GDP per Capita	\$	13,227	8,246	29,772	1,338
			21	2.5%	-0.01	Growth Structure	%	3.4	3.7	7.1	0.3
			26	7.5%	-0.07	GDP Growth Forecast	%	2.7	4.4	7.8	1.3
			9	7.5%	0.01	Population Size	Millions	44.90	38.09	218.54	0.12
			23	2.5%	-0.01	Population Growth	%	18	2.3	4.9	0.0
			2	2.5%	0.04	Urbanisation	%	75	49	91	18
9	20%	Market Accessibility & Innovation	10	5.0%	0.02	Economic Complexity	Index	-0.63	-0.81	0.39	-1.86
			15	5.0%	0.00	Connectedness	Index	46.1	46.3	59.2	41.0
			18	5.0%	-0.01	Innovation	Index	16.1	17.9	32.1	10.3
			2	5.0%	0.06	Import Concentration	Index	0.07	0.12	0.06	0.28
24	25%	Economic Stability & Investment Climate	6	5.0%	0.02	Forex Stability & Liquidity	Index	0.6	0.0	0.9	-0.9
			30	5.0%	-0.08	Economic Freedom	Index	4.8	6.0	7.8	3.8
			17	5.0%	0.01	Inflation	%	6.0	19.0	1.6	354.4
			17	5.0%	0.00	Corruption	Index	36.0	36.9	71.0	20.0
			22	5.0%	-0.03	Political Stability	Index	19.3	33.7	87.3	4.7
4	20%	Social & Human Development	3	5.0%	0.08	Human Development	Index	0.7	0.6	0.8	0.5
			1	5.0%	0.09	Income Inequality	Index	27.6	43.0	27.6	63.0
			29	5.0%	-0.06	Personal Freedom	Index	4.8	6.3	8.4	3.4
			22	5.0%	-0.01	Unemployment	%	11.3	9.6	1.6	26.5
			10	/31	-0.158	TOTAL					

*average, best and worst refers to performance in the sample size

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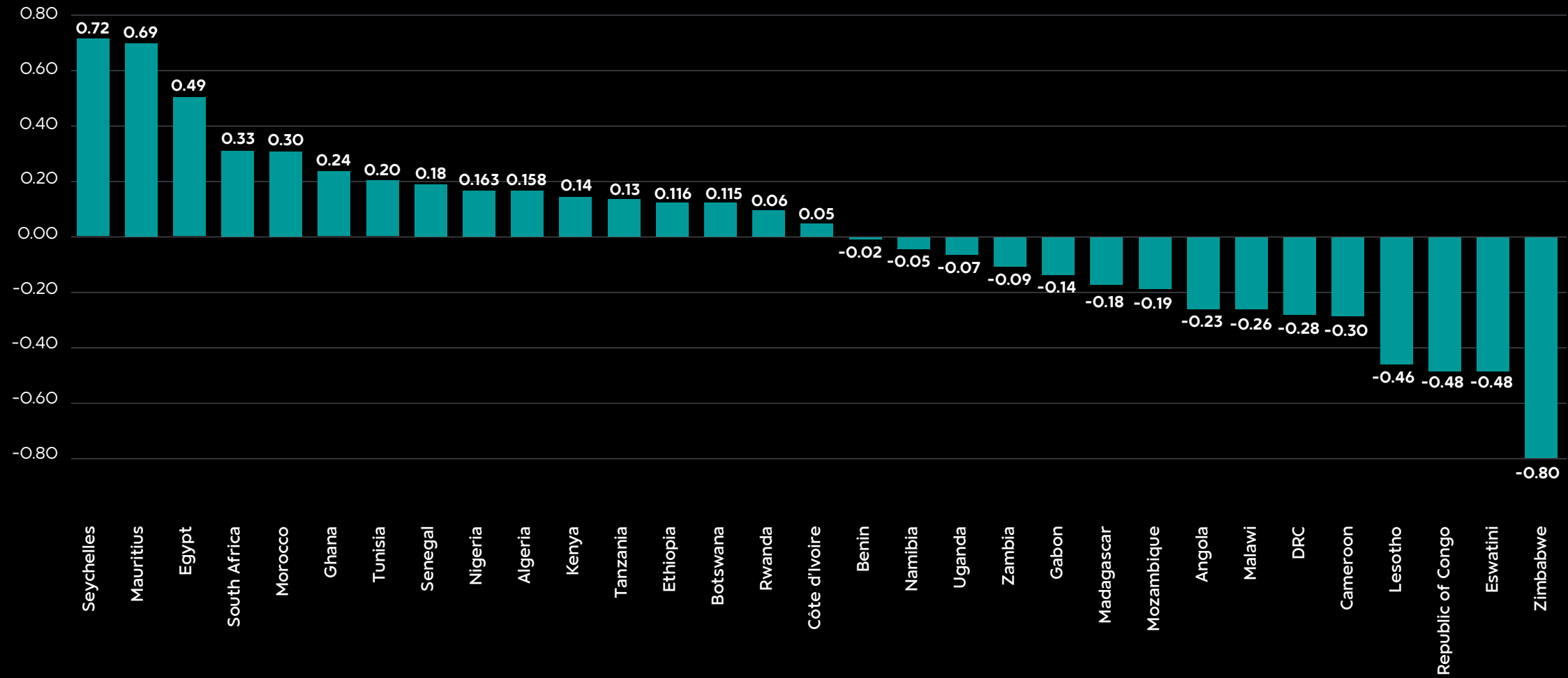
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Putting all of the elements together translates into a ranking across the 31 countries. Using the four pillars, and the weighted Z-scores, the two small island economies of Seychelles (1) and Mauritius (2) rank as the most attractive investment destinations on the continent. The significantly larger economies of Egypt (3), South Africa (4), and Morocco (5) follow next in the attractiveness ranking.

FIGURE 5
Total overall scores 2024



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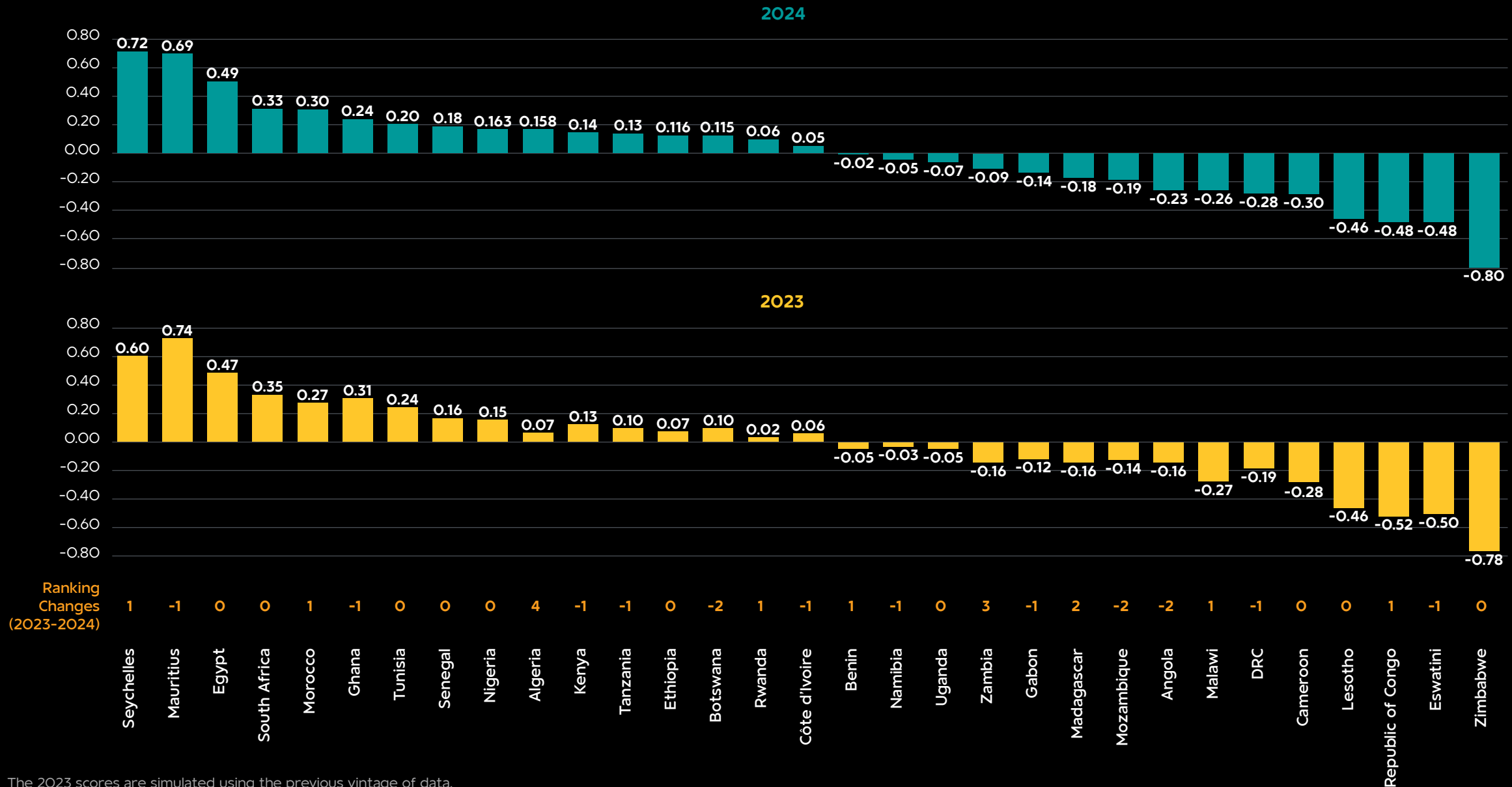
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FIGURE 6
Comparison scores 2023/2024



The 2023 scores are simulated using the previous vintage of data.

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The objectivity of the ranking tool is evidenced by the fact that countries with small populations – Eswatini (30) and Lesotho (28) – populate the bottom part of the ranking, and the same point could be made of Angola (24) with its relatively large economy of US\$100bn and population of just 35 million people.

This highlights that countries with similar populations, or economies of similar sizes, can rank very differently. It also highlights the importance of assessing each country on a case-by-case basis. Further, in this report, each country's score is presented in detail.

In the same breath, the ultimate attractiveness ranking is a composite. It equips the reader to consider whether a country's ranking is the result of just one winning (or losing) pillar – in other words an outlier. Or, if the final ranking is reflective of each of the pillars. Senegal (8), Seychelles (1), Ghana (6) and Kenya (11) rank in the top half of the table on each of the pillars – and by implication their final score ranks in the top half of the table. Mauritius (2) ranks second, and this is notwithstanding the fact that its scores are lowly in terms of economic size and potential. Zimbabwe (31) scores poorly across all elements. And while Nigeria (9) scores

well, this is notwithstanding the fact that the country scores poorly in terms of market accessibility and innovation.

It goes without saying, Africa is not a simple place. It is incredibly diverse.

As suggested through this analysis, it is useful to explore markets using this tool's substantial granularity. For instance, if we zoom out and view nations through the lenses of size and the relevant investability score, it becomes apparent that they fall into distinct groupings with shared traits. We set out examples on the next page.

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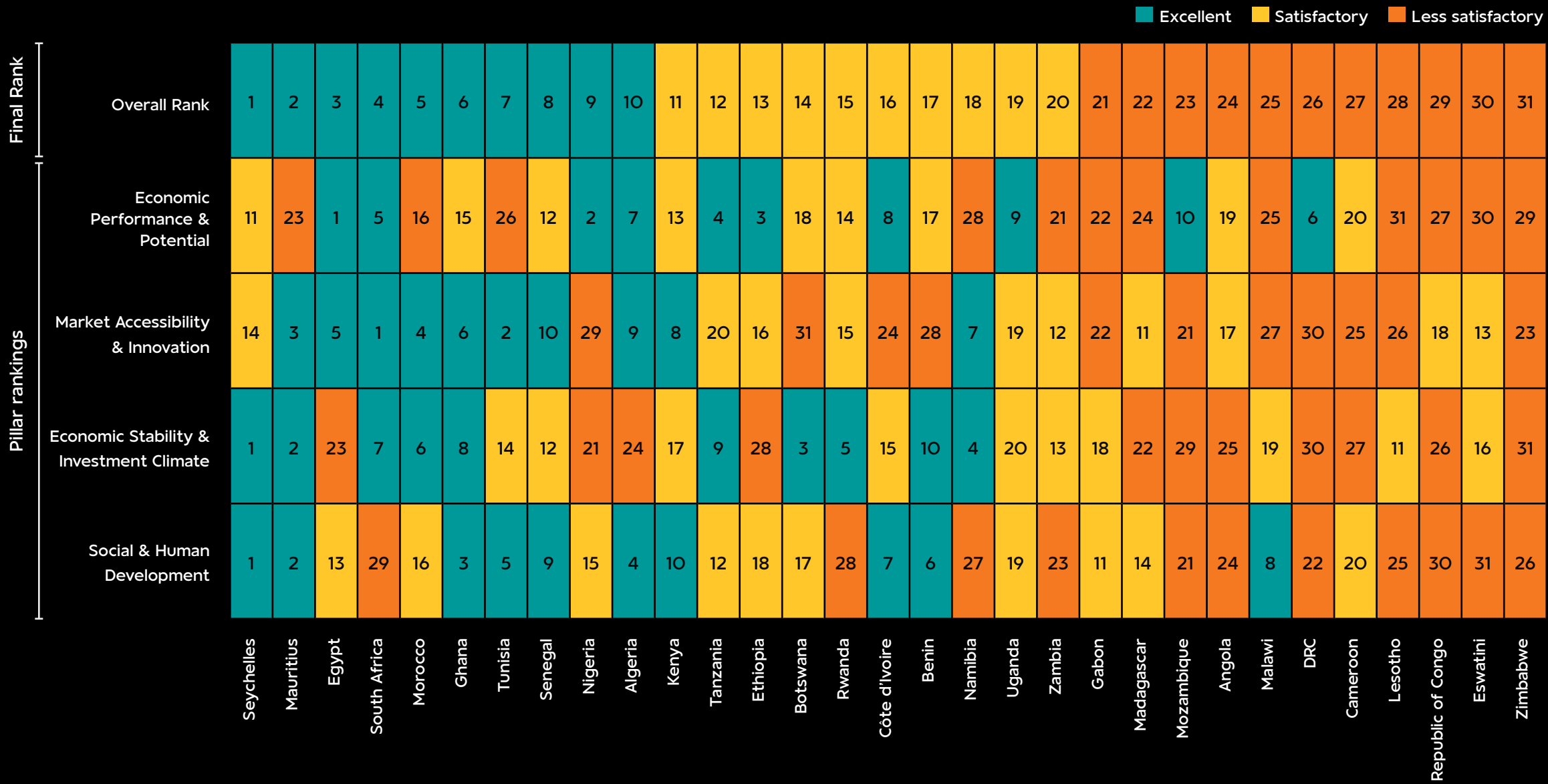
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FIGURE 7
2024 ranks by pillar



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FIGURE 8
Weighted Z-score differences 2023-2024

METRIC	WEIGHT	■ Pulled up in 2024 rankings ■ Dragged down in 2024 rankings ■ Above 0.00 ■ 0.00 ■ Below 0.00																																	
GDP	7.5%	-0.01	0.00	-0.02	0.01	0.02	0.00	0.00	0.00	0.00	-0.03	0.03	0.00	0.00	0.03	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	-0.01	0.00	-0.01	0.00
GDP per Capita	5.0%	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Growth Structure	2.5%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GDP Growth Forecast	7.5%	-0.03	-0.01	-0.03	-0.01	0.01	-0.01	-0.03	0.02	0.01	0.03	0.00	0.01	0.02	0.01	0.04	0.01	0.01	-0.01	0.01	0.02	-0.05	-0.01	-0.03	-0.03	0.02	-0.06	-0.01	0.03	0.02	0.04	0.01			
Population Size	7.5%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Population Growth	2.5%	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	-0.01	0.00	-0.01	-0.01	-0.01	0.00	-0.01	-0.01	0.00	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	
Urbanisation	2.5%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Economic Complexity	5.0%	0.00	-0.01	0.00	0.00	0.00	-0.02	-0.01	0.00	0.02	0.01	0.03	0.02	0.00	0.01	0.00	-0.03	0.00	-0.01	0.01	0.01	0.03	0.02	0.02	-0.03	0.03	-0.04	-0.02	0.00	0.00	-0.01	-0.01			
Connectedness	5.0%	0.00	0.01	0.00	0.00	0.02	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	-0.02	-0.02	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	-0.01	0.01	0.00	0.01	0.00	0.01		
Innovation	5.0%	-0.01	-0.03	0.01	0.00	-0.01	0.01	-0.01	0.03	0.02	0.01	-0.01	-0.01	-0.01	0.01	0.02	0.01	0.02	0.01	0.00	0.02	-0.01	0.01	0.00	-0.01	-0.01	-0.01	0.00	-0.01	-0.01	-0.01	0.00	0.00	0.00	
Import Concentration	5.0%	0.05	-0.01	0.01	0.00	0.00	0.01	0.00	-0.01	-0.02	0.01	-0.01	-0.01	0.00	0.00	0.00	-0.01	0.01	0.00	-0.02	0.01	0.01	-0.02	-0.01	0.01	0.00	0.01	0.00	0.00	0.02	0.00	0.01	0.01		
Forex Stability & Liquidity	5.0%	0.01	-0.01	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.01	0.00	0.00	0.01	0.00	0.00	-0.02	0.00	0.00	0.00	0.01	0.01	-0.01	-0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	-0.02		
Economic Freedom	5.0%	0.00	-0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.02	-0.01	0.01	-0.01	0.00	0.00	0.00	0.00	0.00	-0.02	-0.02	0.01	0.00	0.00	-0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	-0.01		
Inflation	5.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00		
Corruption	5.0%	0.00	0.00	0.02	-0.01	0.00	0.00	0.00	0.00	0.00	0.01	-0.01	0.01	-0.01	-0.01	0.01	0.01	0.00	0.00	0.00	0.02	-0.01	-0.01	-0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00		
Political Stability	5.0%	0.00	0.00	0.00	0.00	0.00	-0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.02	0.01	0.00	0.00		
Human Development	5.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Income Inequality	5.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Personal Freedom	5.0%	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	-0.01	-0.01	0.01	0.01	-0.01	0.00	0.00	0.00	0.00	0.00	-0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	-0.01	0.00	0.00		
Unemployment	5.0%	0.00	0.00	0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
		Seychelles	Mauritius	Egypt	South Africa	Morocco	Ghana	Tunisia	Senegal	Nigeria	Algeria	Kenya	Tanzania	Ethiopia	Botswana	Rwanda	Côte d'Ivoire	Benin	Namibia	Uganda	Zambia	Gabon	Madagascar	Mozambique	Angola	Malawi	DRC	Cameroon	Lesotho	Republic of Congo	Eswatini	Zimbabwe			

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ARCHETYPES

There are many ways to thrive. This applies to Africa's fullest extent, where no two markets are the same. It follows that there is no universal success story.

Large, established markets face very different challenges relative to small, emerging economies.

Investors attracted to the 218 million-person-strong Nigerian market are not likely to find what they want among the 119,000 citizens of Seychelles. Good news to the hotelier might be a red flag to the mineral exploration firm.

In this segment we suggest just five of the many potential investment archetypes the international investor might draw from the *RMB Where to Invest in Africa* model.

FIGURE 9
HIGHFLYERS



HIGHFLYERS

'Highflyers' are markets in the top right quadrant. Those countries further to the right have higher scores on the overall RMB Where to Invest in Africa model; and the larger the population, the higher the country appears up the vertical axis.

POPULATION SIZE

Country	Millions
Nigeria	218.54
Ethiopia	123.38
Egypt	110.99
Democratic Republic of Congo	99.01
Tanzania	65.50
South Africa	59.89
Kenya	54.03
Uganda	47.25
Algeria	44.90
Morocco	37.46
Angola	35.59
Ghana	33.47
Mozambique	32.97
Madagascar	29.61
Cote d'Ivoire	28.16

Country	Millions
Cameroon	27.91
Malawi	20.40
Zambia	20.02
Senegal	17.32
Zimbabwe	16.32
Rwanda	13.78
Benin	13.35
Tunisia	12.36
Republic of Congo	5.97
Botswana	2.63
Namibia	2.57
Gabon	2.39
Lesotho	2.30
Mauritius	1.26
Eswatini	1.20
Seychelles	0.12

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GDP (NOMINAL 2023)

Country	GDP (US\$ billions)
Egypt	394
South Africa	378
Nigeria	375
Algeria	245
Ethiopia	160
Morocco	144
Kenya	109
Angola	94
Cote d'Ivoire	80
Tanzania	79
Ghana	76
Democratic Republic of Congo	67
Uganda	52
Tunisia	51
Cameroon	49

Country	GDP (US\$ billions)
Zimbabwe	32
Senegal	32
Zambia	28
Mozambique	21
Gabon	21
Botswana	20
Benin	19
Madagascar	16
Republic of Congo	14
Mauritius	14
Rwanda	14
Malawi	13
Namibia	12
Eswatini	5
Lesotho	2
Seychelles	2

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FIGURE 10

CLEARED FOR TAKE-OFF



CLEARED FOR TAKE-OFF

Those 'Cleared for Take-off' are countries that score well on the dimensions of economic growth potential, measured along the horizontal axis and that score well in innovation, measured along the vertical axis. Countries with high economic growth potential and high innovations scores appear in the top right quadrant and we characterise them as "cleared for take-off."

IMF GROWTH FORECAST: 5 YEAR AVERAGE, 2024-2028

Country	%
Mozambique	7.8
Rwanda	7.2
Senegal	6.8
Ethiopia	6.6
Uganda	6.6
Cote d'Ivoire	6.3
Tanzania	6.2
Benin	6.0
Kenya	5.2
Democratic Republic of Congo	5.1
Zambia	4.8
Madagascar	4.6
Egypt	4.5
Cameroon	4.5
Ghana	4.4
Malawi	4.1

Country	%
Botswana	4.0
Republic of Congo	3.8
Mauritius	3.7
Seychelles	3.6
Morocco	3.3
Eswatini	3.3
Angola	3.2
Nigeria	3.2
Zimbabwe	3.1
Algeria	2.7
Gabon	2.7
Namibia	2.6
Lesotho	2.3
Tunisia	1.6
South Africa	1.3

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INNOVATION SCORE

Country	Z-score (unweighted)
Mauritius	2.273
South Africa	2.001
Morocco	1.628
Tunisia	1.443
Botswana	1.076
Egypt	1.012
Senegal	0.740
Namibia	0.629
Ghana	0.549
Kenya	0.533
Rwanda	0.437
Madagascar	0.198
Nigeria	0.086
Côte d'Ivoire	0.054
Tanzania	-0.074
Zimbabwe	-0.217

Country	Z-score (unweighted)
Zambia	-0.233
Algeria	-0.281
Benin	-0.297
Uganda	-0.297
Cameroon	-0.409
Ethiopia	-0.568
Mozambique	-0.680
Angola	-1.207
Democratic Republic of Congo	-1.207
Republic of Congo	-1.207
Eswatini	-1.207
Gabon	-1.207
Lesotho	-1.207
Malawi	-1.207
Seychelles	-1.207

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GROWTH STRUCTURE

Country	Z-score (unweighted)
Rwanda	2.576
Ethiopia	2.299
Uganda	1.016
Tanzania	0.966
Ghana	0.935
Cote d'Ivoire	0.852
Mozambique	0.627
Zambia	0.584
Senegal	0.513
Malawi	0.372
Kenya	0.147
Benin	0.091
Mauritius	0.008
Cameroon	-0.007
Morocco	-0.022
Botswana	-0.040

Country	Z-score (unweighted)
Democratic Republic of Congo	-0.086
Egypt	-0.198
Seychelles	-0.256
Zimbabwe	-0.262
Algeria	-0.267
Gabon	-0.312
Nigeria	-0.444
Lesotho	-0.514
Tunisia	-0.703
Namibia	-0.742
Eswatini	-0.763
Madagascar	-1.045
Angola	-1.048
South Africa	-1.666
Republic of Congo	-2.631

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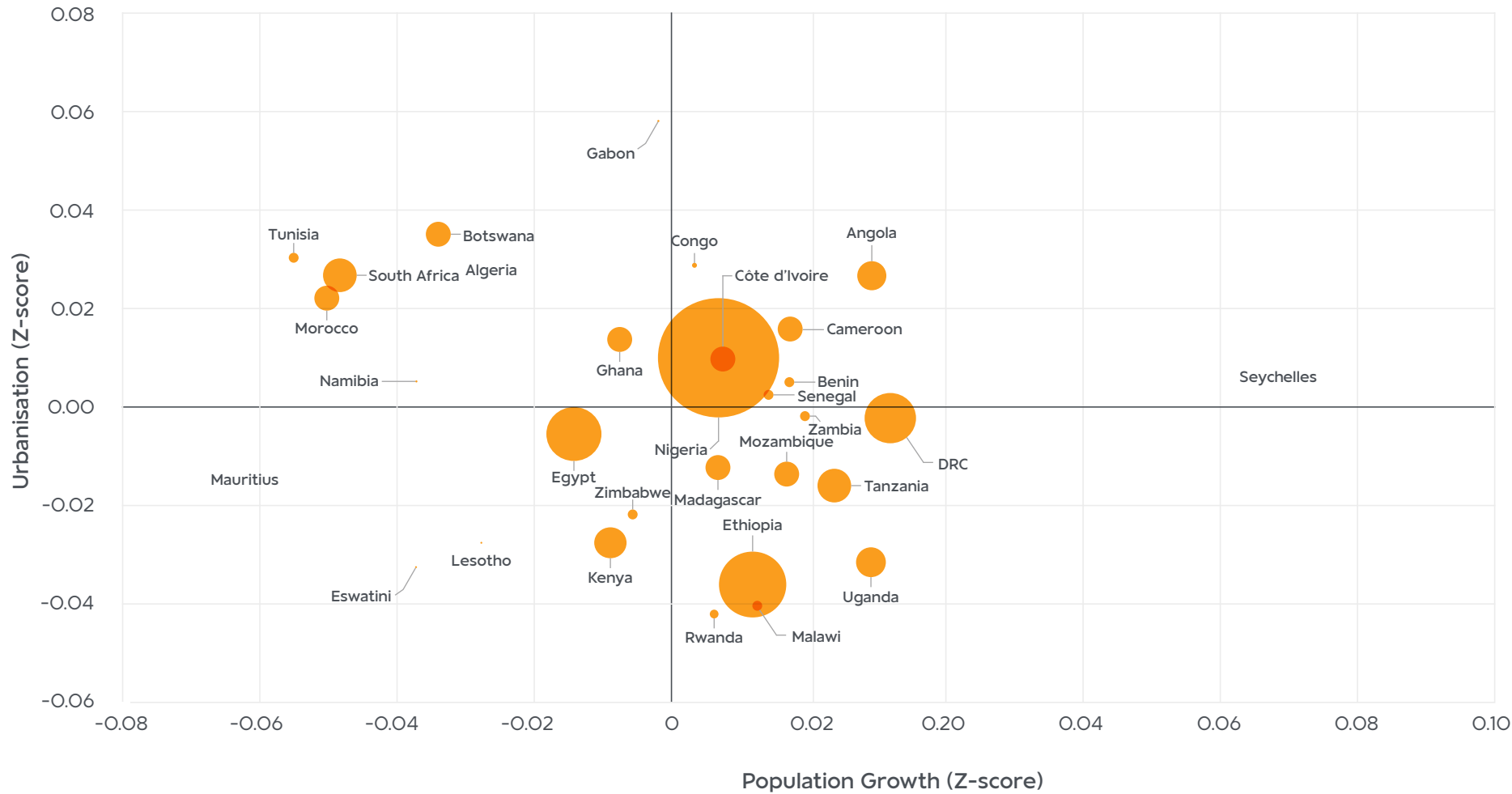
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FIGURE 11
PEOPLE POTENTIAL



PEOPLE POTENTIAL

'People Potential' illustrate markets with facets that suggest an ability to take advantage of the demographic dividend. The higher the population growth, the further a market appears to the right. More urbanisation moves a country upwards. The larger a country's population, the larger the bubble size.

URBANISATION

Country	Z-score
Gabon	2.310
Algeria	1.437
Botswana	1.298
Tunisia	1.188
Republic of Congo	1.107
South Africa	1.085
Angola	1.071
Morocco	0.880
Cameroon	0.559
Ghana	0.553
Seychelles	0.541
Namibia	0.298
Nigeria	0.274
Cote d'Ivoire	0.227
Benin	0.056
Senegal	0.032

Country	Z-score
Democratic Republic of Congo	-0.091
Zambia	-0.150
Egypt	-0.303
Mauritius	-0.421
Madagascar	-0.472
Mozambique	-0.565
Tanzania	-0.647
Zimbabwe	-0.882
Lesotho	-1.016
Kenya	-1.067
Uganda	-1.223
Eswatini	-1.309
Ethiopia	-1.414
Malawi	-1.670
Rwanda	-1.685

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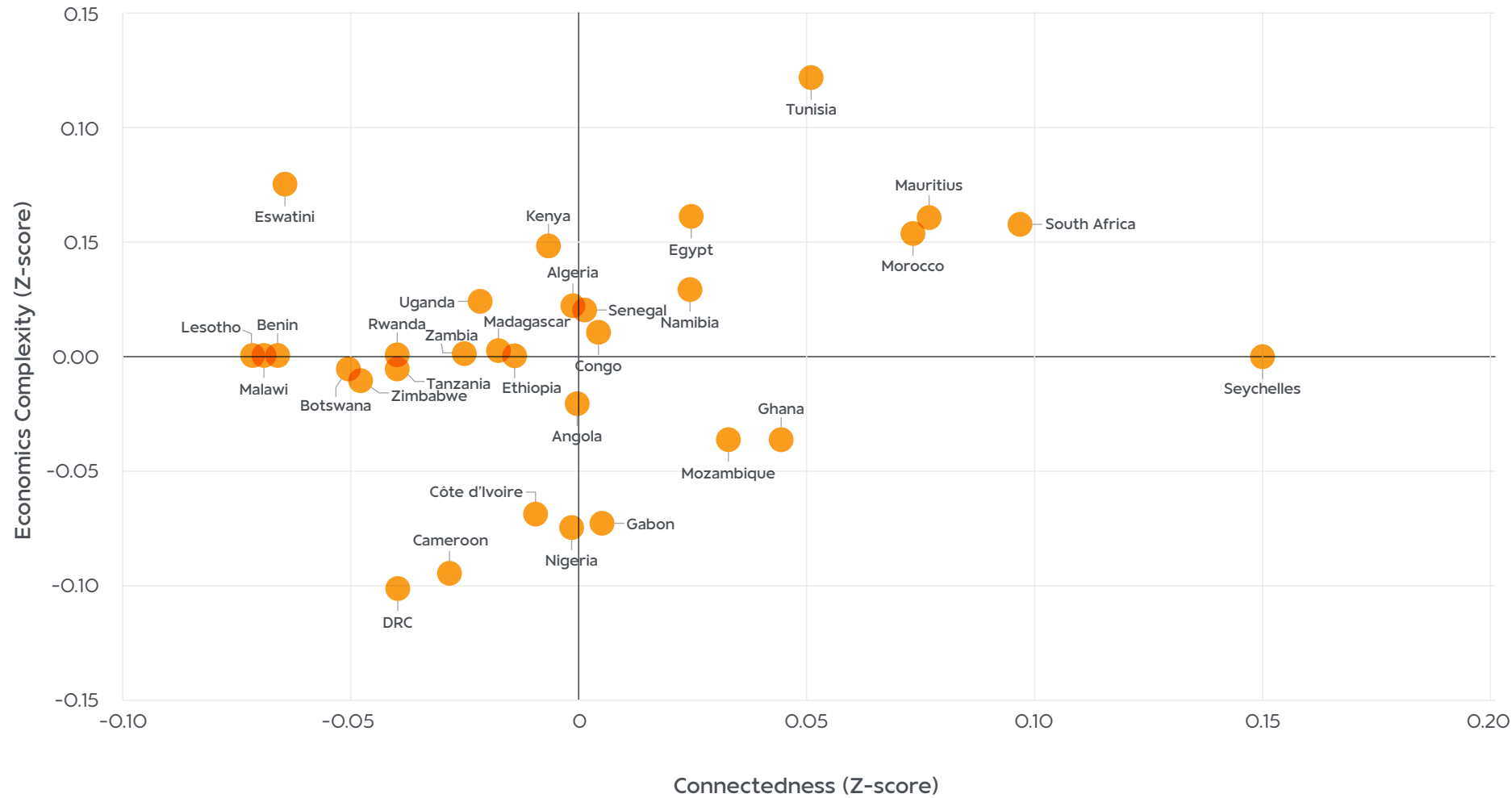
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FIGURE 12
GLOBAL CONNECTORS



GLOBAL CONNECTORS

'Global Connectors' are more advanced economies with a strong international presence. Higher connectedness scores move a country further right and greater complexity of its products and services produced moves a country upwards.

CONNECTEDNESS

Country	Z-score
Seychelles	3.211
South Africa	1.911
Mauritius	1.398
Morocco	1.320
Tunisia	1.018
Ghana	0.850
Mozambique	0.665
Namibia	0.461
Egypt	0.454
Gabon	0.147
Republic of Congo	0.136
Senegal	0.012
Angola	-0.019
Nigeria	-0.029
Algeria	-0.046
Kenya	-0.162

Country	Z-score
Ethiopia	-0.204
Cote d'Ivoire	-0.215
Madagascar	-0.234
Uganda	-0.401
Zambia	-0.498
Cameroon	-0.601
Tanzania	-0.755
Rwanda	-0.756
Democratic Republic of Congo	-0.799
Zimbabwe	-0.947
Botswana	-0.998
Benin	-1.142
Eswatini	-1.228
Malawi	-1.245
Lesotho	-1.307

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COMPLEXITY

Country	Z-score (unweighted)
Tunisia	2.345
Eswatini	1.573
Egypt	1.317
South Africa	1.292
Mauritius	1.249
Kenya	0.892
Morocco	0.890
Uganda	0.542
Namibia	0.445
Algeria	0.355
Senegal	0.296
Madagascar	0.075
Benin	0.000
Republic of Congo	0.000
Lesotho	0.000
Malawi	0.000

Country	Z-score (unweighted)
Rwanda	0.000
Seychelles	0.000
Zambia	-0.063
Ethiopia	-0.142
Tanzania	-0.207
Botswana	-0.213
Zimbabwe	-0.388
Angola	-0.454
Mozambique	-0.701
Ghana	-0.726
Cote d'Ivoire	-0.446
Gabon	-0.527
Nigeria	-0.580
Cameroon	-0.764
Democratic Republic of Congo	-2.060

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ECONOMIC STABILITY AND INVESTMENT CLIMATE

Country	Z-score
Seychelles	0.72
Mauritius	0.69
Egypt	0.49
South Africa	0.33
Morocco	0.30
Ghana	0.27
Tunisia	0.20
Senegal	0.18
Nigeria	0.16
Algeria	0.16
Kenya	0.14
Tanzania	0.12
Ethiopia	0.12
Botswana	0.12
Rwanda	0.06
Cote d'Ivoire	0.05

Country	Z-score
Benin	-0.02
Namibia	-0.05
Uganda	-0.07
Zambia	-0.09
Gabon	-0.14
Madagascar	-0.18
Mozambique	-0.19
Angola	-0.23
Malawi	-0.26
Democratic Republic of Congo	-0.28
Cameroon	-0.30
Lesotho	-0.46
Republic of Congo	-0.48
Eswatini	-0.48
Zimbabwe	-0.80

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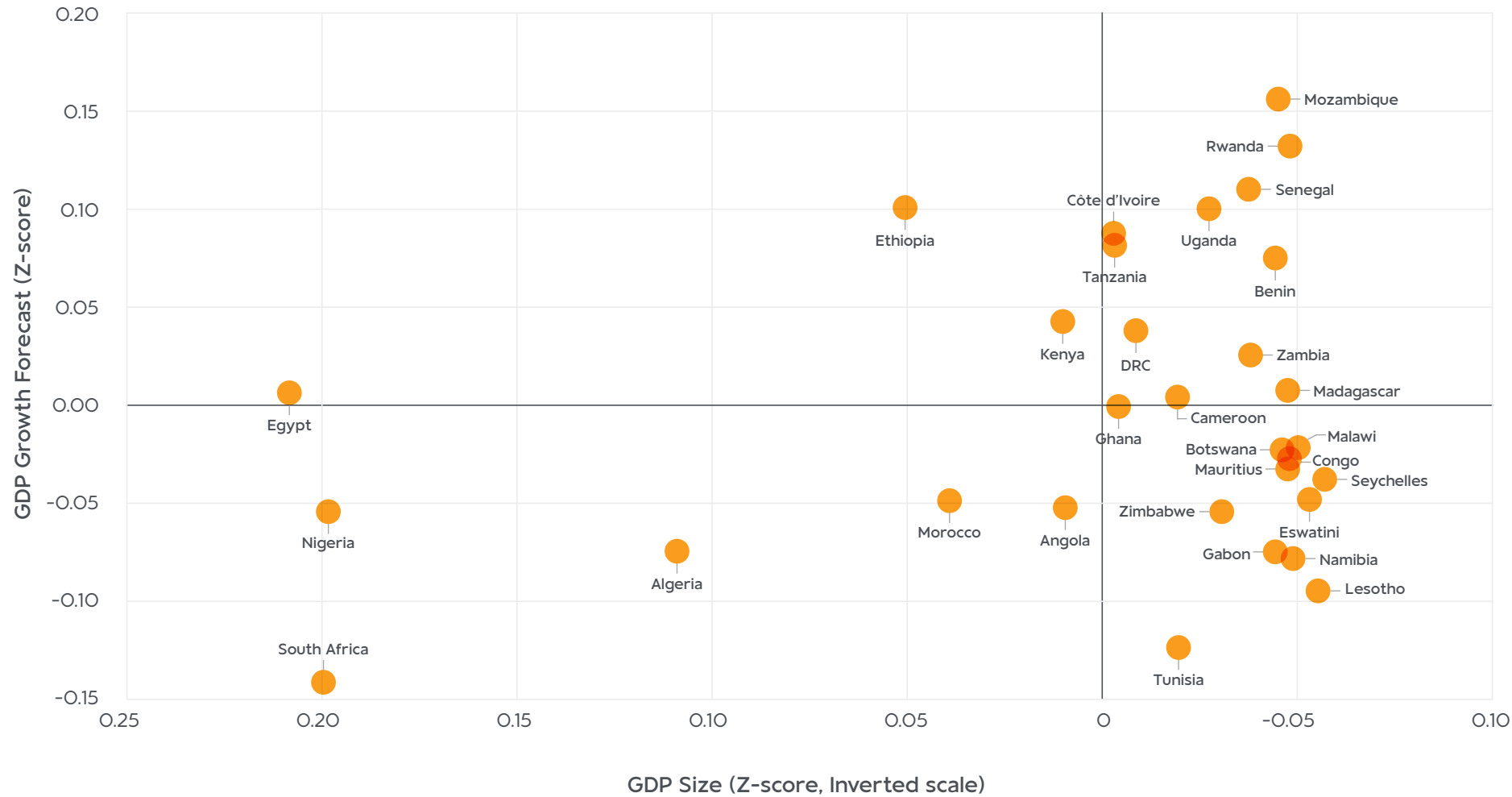
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FIGURE 13
LOW-BASE BOOMERS



LOW BASE BOOMERS

Investors with the right positions, products and attitudes will see value in small markets with high potential. In this chart, we focus on countries in the top right quadrant as potential “Low-base Boomers”. Note, the GDP score is inverted. Smaller GDP scores move a country to the right while higher GDP growth forecasts move a country upwards.

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SEYCHELLES



The tiny archipelago nation, some 1,750 km east of Mombasa, stands at the top of the podium in the rankings. The well-run economy, coral reefs and picturesque beaches are enjoyed by the population of just 120,000 people.

RANK

1

OVERALL SCORE

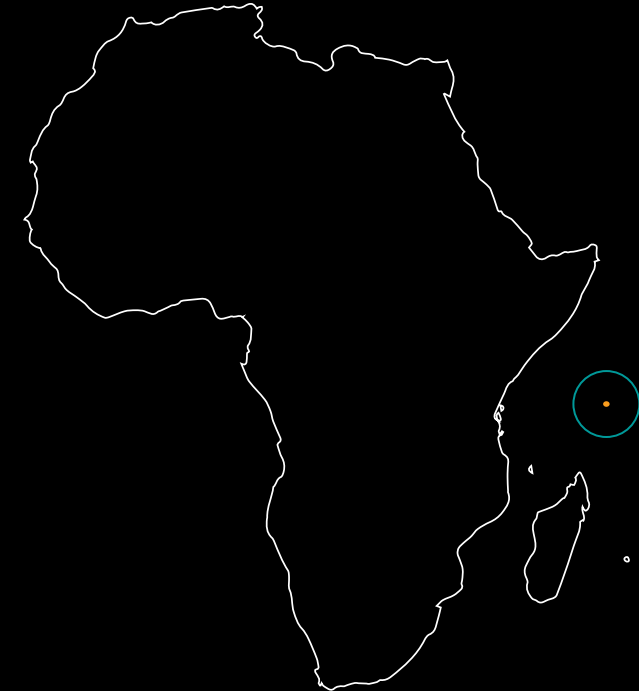
0.72

I SEYCHELLES

The tiny archipelago nation, some 1,750 km east of Mombasa, stands at the top of the podium in the rankings. The well-run economy, coral reefs and picturesque beaches are enjoyed by the population of just 120,000 people (making it the smallest African country on this measure) and 428,000 international tourism arrivals per year (according to 2019 figures²⁸).

The top rankings of the Seychelles and Mauritius need special context because of their small economies and populations. This is a more robust approach than lowering the weighting of these two measures across the board. In short, the limited size of these markets is a barrier that many investors will not overcome, despite the many other positives.

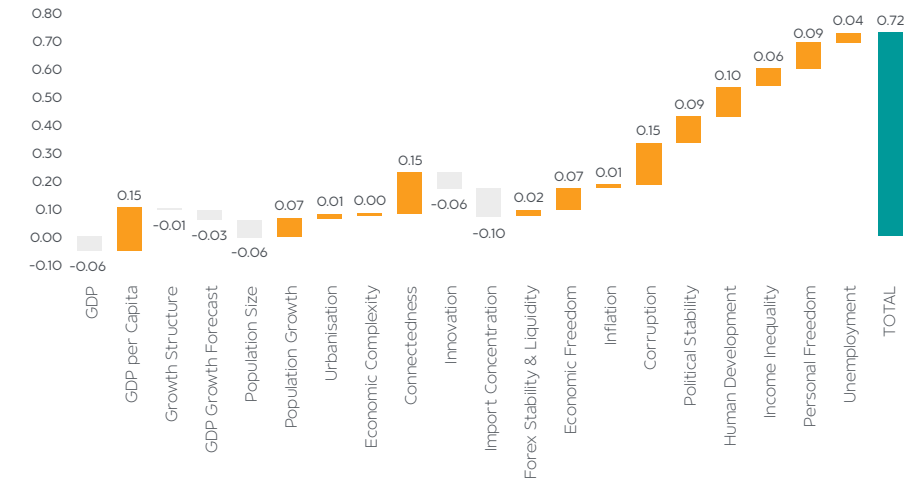
Seychelles has an income per capita of US\$29,772. Population growth rate is the highest in the rankings, albeit off a very small base. Top metric scores on the rankings include personal freedom, human development, lack of corruption, and connectedness. Two markers where Seychelles stands to gain greatly from improvement are innovation and import concentration. Its economy is highly dependent on tourism and fisheries. As the coronavirus disaster demonstrated, this leaves a country exposed. Diversifying, alongside improved innovation and lower import concentration, will girder Seychelles more strongly against external shocks.



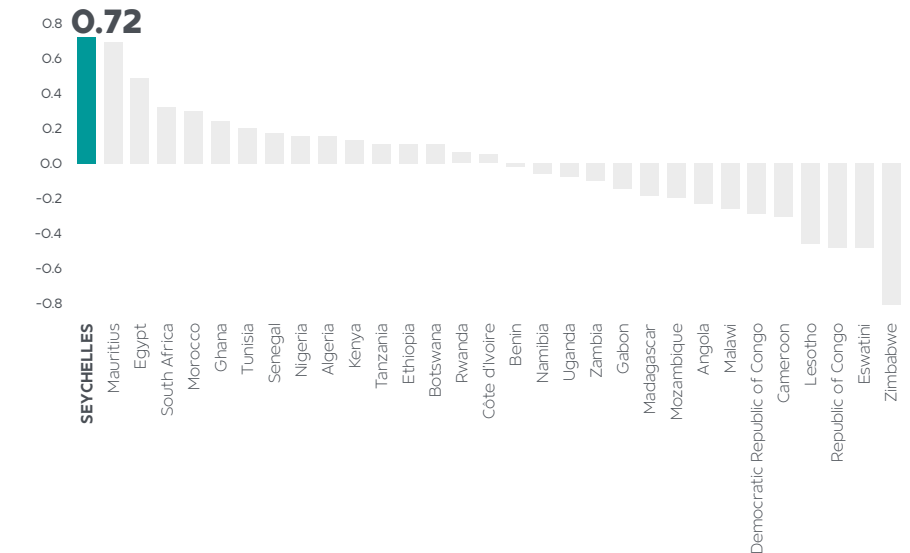
SEYCHELLES

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
11	35%	Economic Performance & Potential	31	7.5%	-0.06	GDP	US\$ Billions	2.2	84.5	393.9	2.2
			1	5.0%	0.15	GDP per Capita	\$	29,772	8,246	29,772	1,338
			19	2.5%	-0.01	Growth Structure	%	3.4	3.7	7.1	0.3
			20	7.5%	-0.03	GDP Growth Forecast	%	3.6	4.4	7.8	1.3
			31	7.5%	-0.06	Population Size	Millions	0.12	38.09	218.54	0.12
			1	2.5%	0.07	Population Growth	%	4.9	2.3	4.9	0.0
			11	2.5%	0.01	Urbanisation	%	58	49	91	18
14	20%	Market Accessibility & Innovation	13	5.0%	0.00	Economic Complexity	Index	-0.81	-0.81	0.39	-1.86
			1	5.0%	0.15	Connectedness	Index	59.2	46.3	59.2	41.0
			24	5.0%	-0.06	Innovation	Index	10.3	17.9	32.1	10.3
			30	5.0%	-0.10	Import Concentration	Index	0.20	0.12	0.06	0.28
1	25%	Economic Stability & Investment Climate	7	5.0%	0.02	Forex Stability & Liquidity	Index	0.5	0.0	0.9	-0.9
			2	5.0%	0.07	Economic Freedom	Index	7.1	6.0	7.8	3.8
			4	5.0%	0.01	Inflation	%	2.9	19.0	1.6	354.4
			1	5.0%	0.15	Corruption	Index	71.0	36.9	71.0	20.0
			3	5.0%	0.09	Political Stability	Index	72.6	33.7	87.3	4.7
1	20%	Social & Human Development	1	5.0%	0.10	Human Development	Index	0.8	0.6	0.8	0.5
			3	5.0%	0.06	Income Inequality	Index	32.1	43.0	27.6	63.0
			1	5.0%	0.09	Personal Freedom	Index	8.4	6.3	8.4	3.4
			6	5.0%	0.04	Unemployment	%	3.6	9.6	1.6	26.5
			1	/31	0.72	TOTAL					

METRIC SCORE CONTRIBUTIONS



TOTAL OVERALL SCORE



*average, best and worst refers to performance in the sample size

COUNTRY SNAPSHOT

MAURITIUS



Mauritius performs well at fifth on the economic complexity pillar. A diverse basket of exports is led by ICT (18.2%), travel and tourism (10.8%), fish (7.3%) and insurance and finance (5.6%).

RANK

2

OVERALL SCORE

0.69



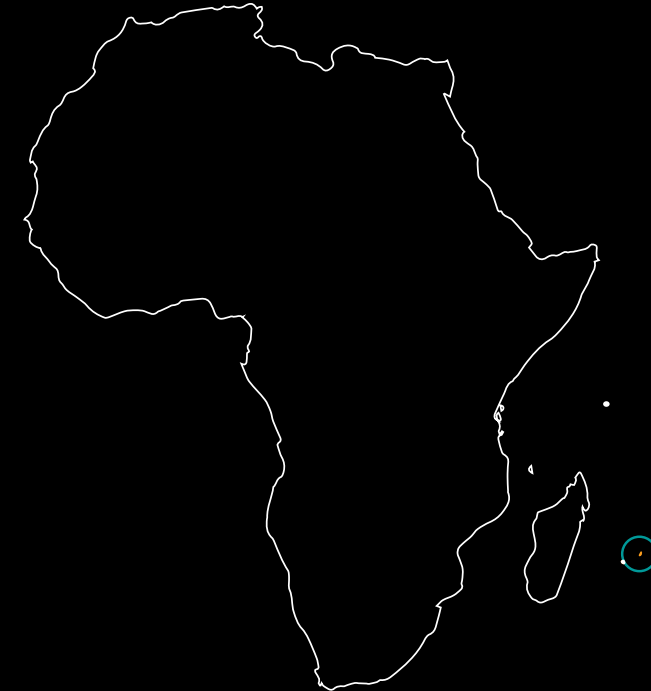
I MAURITIUS

Almost perfect. It is not only the fact that Mauritius offers white beaches and warm waters, the island off the east coast of South Africa is idyllic and has many economic components to match. Economic freedom and innovation are the best on the continent. Income per person is second highest. It is politically stable, respects personal liberties and human development is high.

Mauritius performs well at fifth on the economic complexity pillar. A diverse basket of exports is led by ICT (18.2%), travel and tourism (10.8%), fish (7.3%) and insurance and finance (5.6%).²⁹

A single economic limitation sets the backdrop for all of these impressive positives. At just over 2,000 km² in land mass, Mauritius could fit inside nearby Madagascar 293 times over. And with a population of just over 1.26 million people, any business entering Mauritius will have access to fewer potential customers than it would in South Africa's coastal metropolitan area of East London.

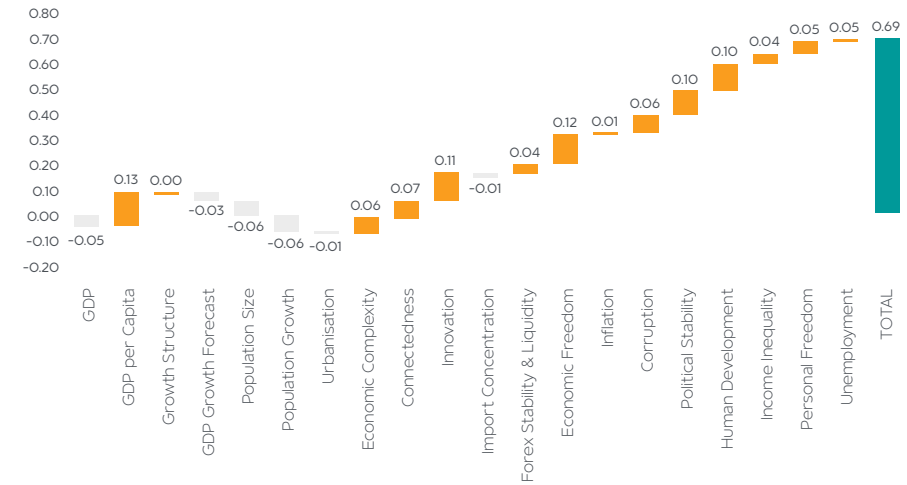
This is no obstacle, of course, for the likes of a financial services firm seeking only a reliable regulatory environment, sound connectivity and a mild tropical climate.



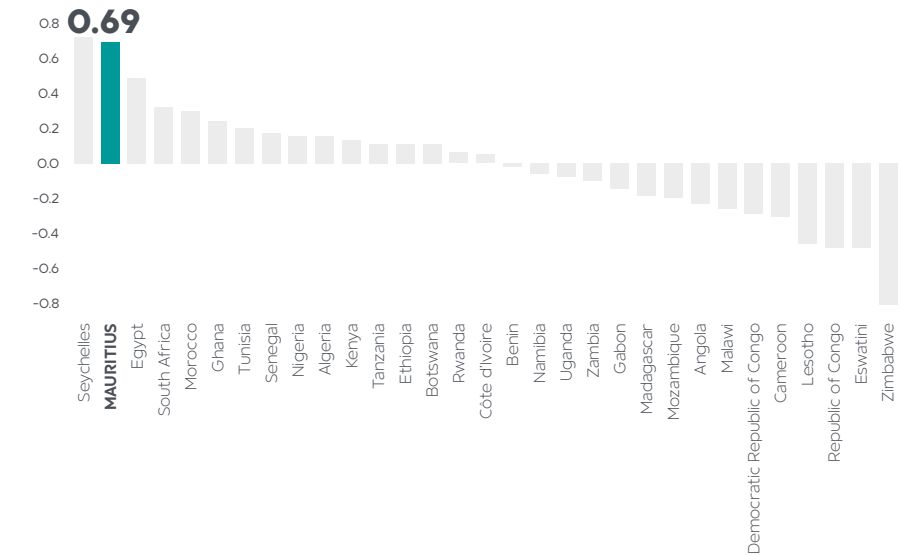
MAURITIUS

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
23	35%	Economic Performance & Potential	25	7.5%	-0.05	GDP	US\$ Billions	14.4	84.5	393.9	2.2
			2	5.0%	0.13	GDP per Capita	\$	26,979	8,246	29,772	1,338
			13	2.5%	0.00	Growth Structure	%	3.7	3.7	7.1	0.3
			19	7.5%	-0.03	GDP Growth Forecast	%	3.7	4.4	7.8	1.3
			29	7.5%	-0.06	Population Size	Millions	1.26	38.09	218.54	0.12
			31	2.5%	-0.06	Population Growth	%	0.0	2.3	4.9	0.0
			20	2.5%	-0.01	Urbanisation	%	41	49	91	18
3	20%	Market Accessibility & Innovation	5	5.0%	0.06	Economic Complexity	Index	-0.17	-0.81	0.39	-1.86
			3	5.0%	0.07	Connectedness	Index	51.9	46.3	59.2	41.0
			1	5.0%	0.11	Innovation	Index	32.1	17.9	32.1	10.3
			21	5.0%	-0.01	Import Concentration	Index	0.13	0.12	0.06	0.28
2	25%	Economic Stability & Investment Climate	2	5.0%	0.04	Forex Stability & Liquidity	Index	0.8	0.0	0.9	-0.9
			1	5.0%	0.12	Economic Freedom	Index	7.8	6.0	7.8	3.8
			14	5.0%	0.01	Inflation	%	5.0	19.0	1.6	354.4
			4	5.0%	0.06	Corruption	Index	51.0	36.9	71.0	20.0
			2	5.0%	0.10	Political Stability	Index	75.5	33.7	87.3	4.7
2	20%	Social & Human Development	2	5.0%	0.10	Human Development	Index	0.8	0.6	0.8	0.5
			7	5.0%	0.04	Income Inequality	Index	36.8	43.0	27.6	63.0
			6	5.0%	0.05	Personal Freedom	Index	7.5	6.3	8.4	3.4
			17	5.0%	0.02	Unemployment	%	7.3	9.6	16	26.5
			2	31	0.69	TOTAL					

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EGYPT

RANK
3
OVERALL SCORE
0.49



The model captures Egypt reflecting two extremes.

On the positive extremity, Egypt is a highly attractive market. Overall, it ranks third in the model and among nations of substantial size, Egypt ranks tops.



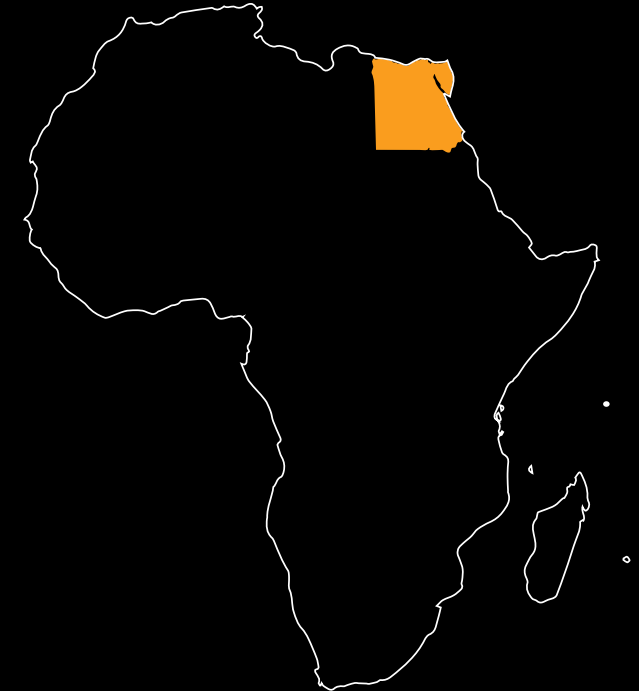
I EGYPT

The RMB *Where to Invest in Africa* model captures Egypt reflecting two extremes. On the positive extremity, Egypt is a highly attractive market. It ranks third in our model taking into account that first and second place go, respectively, to the Seychelles and Mauritius. These are two very small islands. Consequently, among nations of substantial size, Egypt ranks tops.

With a GDP of US\$394bn in 2023, Egypt was the largest economy on the continent. Egypt's GDP per capita (of more than US\$15,000) places it sixth overall. Further, with more than 110 million people this is a large market that is attractively positioned relative to European markets. Egypt scores well on economic complexity,

innovation, human development and income equality. However, Egyptians appear to pay a price for all of these economic benefits. Egypt holds a last place for personal freedom, scoring 3.4 compared to an average of 6.3. That positions Egypt more than 2.5 standard deviations below the average. This places it among the bottom five nations in the world on the most recent Fraser Institute Human Freedom Index, alongside Iran, Venezuela, Yemen and Syria.

Concerningly, Egypt is among the nations whose score has deteriorated most in recent years. It lost 47 places on the ranking between 2000 and 2020, placing it at 161 out of a total of 165 ranked.

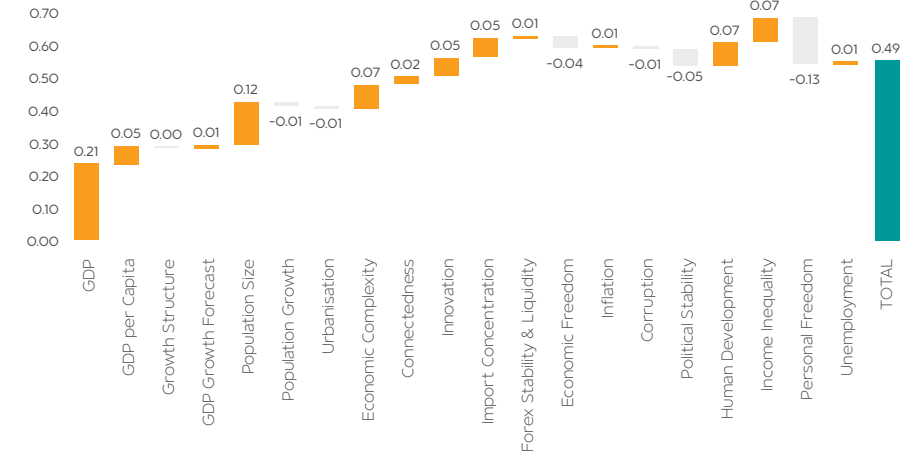


EGYPT

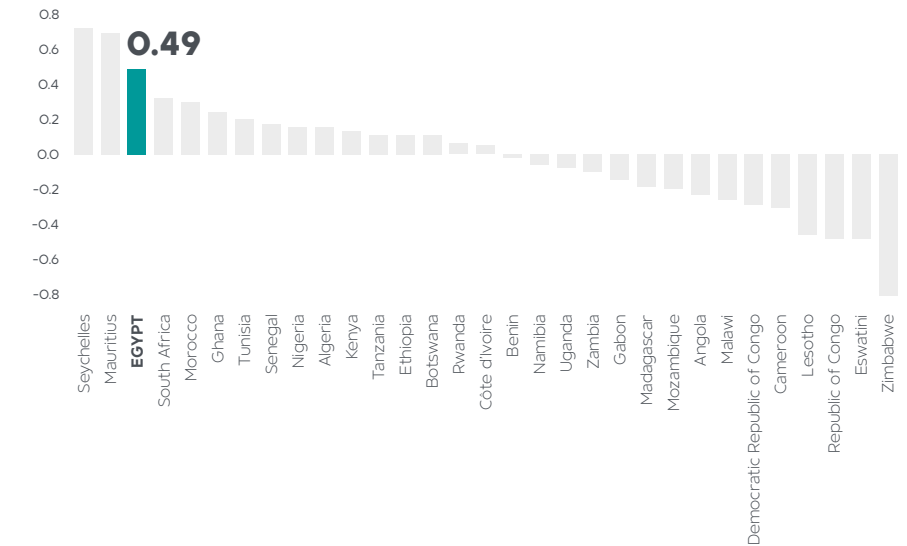


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
1	35%	Economic Performance & Potential	1	7.5%	0.21	GDP	US\$ Billions	393.9	84.5	393.9	2.2
			6	5.0%	0.05	GDP per Capita	\$	15,096	8,246	29,772	1,338
			18	2.5%	0.00	Growth Structure	%	3.5	3.7	7.1	0.3
			13	7.5%	0.01	GDP Growth Forecast	%	4.5	4.4	7.8	1.3
			3	7.5%	0.12	Population Size	Millions	110.99	38.09	218.54	0.12
			24	2.5%	-0.01	Population Growth	%	1.7	2.3	4.9	0.0
			19	2.5%	-0.01	Urbanisation	%	43	49	91	18
5	20%	Market Accessibility & Innovation	3	5.0%	0.07	Economic Complexity	Index	-0.13	-0.81	0.39	-1.86
			9	5.0%	0.02	Connectedness	Index	48.1	46.3	59.2	41.0
			6	5.0%	0.05	Innovation	Index	24.2	17.9	32.1	10.3
			3	5.0%	0.05	Import Concentration	Index	0.07	0.12	0.06	0.28
23	25%	Economic Stability & Investment Climate	12	5.0%	0.01	Forex Stability & Liquidity	Index	0.2	0.0	0.9	-0.9
			23	5.0%	-0.04	Economic Freedom	Index	5.5	6.0	7.8	3.8
			24	5.0%	0.01	Inflation	%	11.4	19.0	1.6	354.4
			18	5.0%	-0.01	Corruption	Index	35.0	36.9	71.0	20.0
			26	5.0%	-0.05	Political Stability	Index	14.2	33.7	87.3	4.7
13	20%	Social & Human Development	5	5.0%	0.07	Human Development	Index	0.7	0.6	0.8	0.5
			2	5.0%	0.07	Income Inequality	Index	31.9	43.0	27.6	63.0
			31	5.0%	-0.13	Personal Freedom	Index	3.4	6.3	8.4	3.4
			19	5.0%	0.01	Unemployment	%	8.0	9.6	1.6	26.5
3	/31	0.49	TOTAL								

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SOUTH AFRICA



South Africa scores just one first place on the rankings: forex stability and liquidity. In 2023, its nominal GDP slipped into second place behind Egypt. South Africa suffers last position for GDP growth forecast, income inequality and unemployment

RANK
4

OVERALL SCORE
0.33



I SOUTH AFRICA

Long the continent’s economic powerhouse, South Africa faces major headwinds that have seen other countries supersede it in a variety of consequential rankings. At fourth place overall, Africa’s southern-most nation lags the two idyllic island nations, as well as northern powerhouse Egypt.

South Africa scores just one first place on the rankings: forex stability and liquidity. Its GDP has slipped into second behind the leader Egypt. South Africa suffers last position for GDP growth forecast, income inequality and unemployment.

Officially, over 30% of the country’s population is unemployed. This disastrous figure is far worse among young people between 15 and 34 years of age. In the final quarter of 2023, there was an “increase in the youth unemployment rate by 0.9 percentage point

from 43.4% in 3Q23 to 44.3% in 4Q23.”³⁰ With 4.7 million unemployed youngsters, the country has an economic and humanitarian crisis to overcome.

Perhaps most stark among the drivers of economic decline is the embedded inability of the state power utility, Eskom, to produce sufficient energy to power homes and businesses. Its total debt is edging closer to ZAR450bn³¹ and load-shedding (rolling nationwide power cuts to conserve the energy grid) appears to have no end in sight. This is in line with multiple other failures of infrastructure, including rail, ports and roads.³²

Foreign investors will likely wait for evidence that South Africa’s many reform plans and procedures to stabilise multiple dire metrics are gaining traction before investments turn a corner.



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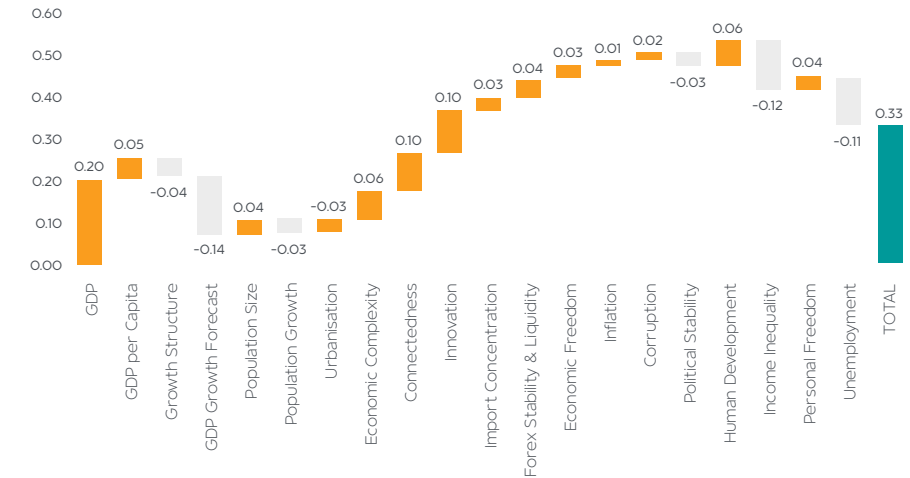
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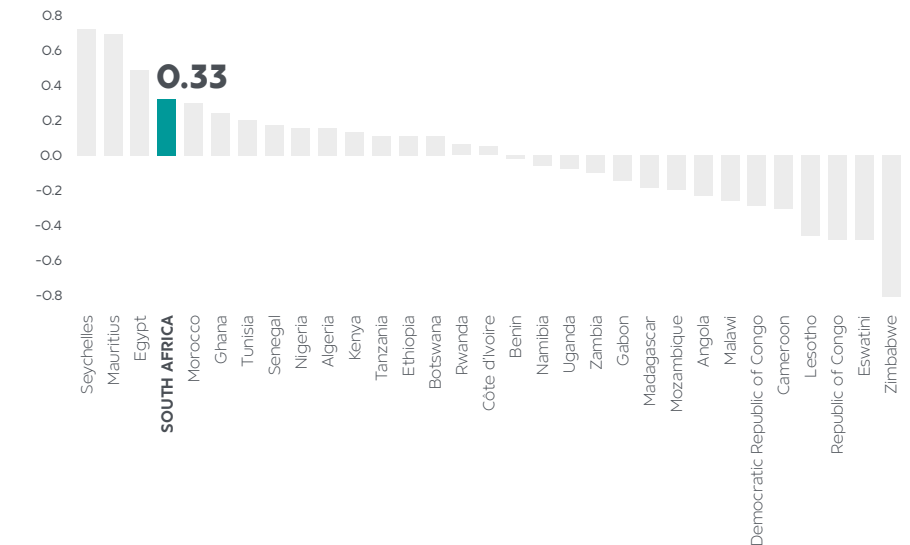
SOUTH AFRICA

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
5	35%	Economic Performance & Potential	2	7.5%	0.20	GDP	US\$ Billions	377.7	84.5	393.9	2.2
			5	5.0%	0.05	GDP per Capita	\$	15,920	8,246	29,772	1,338
			30	2.5%	-0.04	Growth Structure	%	16	3.7	7.1	0.3
			31	7.5%	-0.14	GDP Growth Forecast	%	1.3	4.4	7.8	1.3
			6	7.5%	0.04	Population Size	Millions	59.89	38.09	218.54	0.12
			27	2.5%	-0.03	Population Growth	%	11	2.3	4.9	0.0
			6	2.5%	0.03	Urbanisation	%	68	49	91	18
1	20%	Market Accessibility & Innovation	4	5.0%	0.06	Economic Complexity	Index	-0.15	-0.81	0.39	-1.86
			2	5.0%	0.10	Connectedness	Index	54.0	46.3	59.2	41.0
			2	5.0%	0.10	Innovation	Index	30.4	17.9	32.1	10.3
			12	5.0%	0.03	Import Concentration	Index	0.10	0.12	0.06	0.28
117	25%	Economic Stability & Investment Climate	1	5.0%	0.04	Forex Stability & Liquidity	Index	0.9	0.0	0.9	-0.9
			8	5.0%	0.03	Economic Freedom	Index	6.5	6.0	7.8	3.8
			13	5.0%	0.01	Inflation	%	4.9	19.0	16	354.4
			9	5.0%	0.02	Corruption	Index	41.0	36.9	71.0	20.0
			21	5.0%	-0.03	Political Stability	Index	19.8	33.7	87.3	4.7
29	20%	Social & Human Development	6	5.0%	0.06	Human Development	Index	0.7	0.6	0.8	0.5
			31	5.0%	-0.12	Income Inequality	Index	63.0	43.0	27.6	63.0
			8	5.0%	0.04	Personal Freedom	Index	7.2	6.3	8.4	3.4
			31	5.0%	-0.11	Unemployment	%	26.5	9.6	16	26.5
			4	/31	0.33	TOTAL					

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MOROCCO



At fifth place overall on our model, Morocco is a highly attractive economy. Its model scores place it in the top five of the 31 countries analysed for connectedness, innovation, forex stability and liquidity, and innovation.

RANK
5

OVERALL SCORE
0.30



I MOROCCO

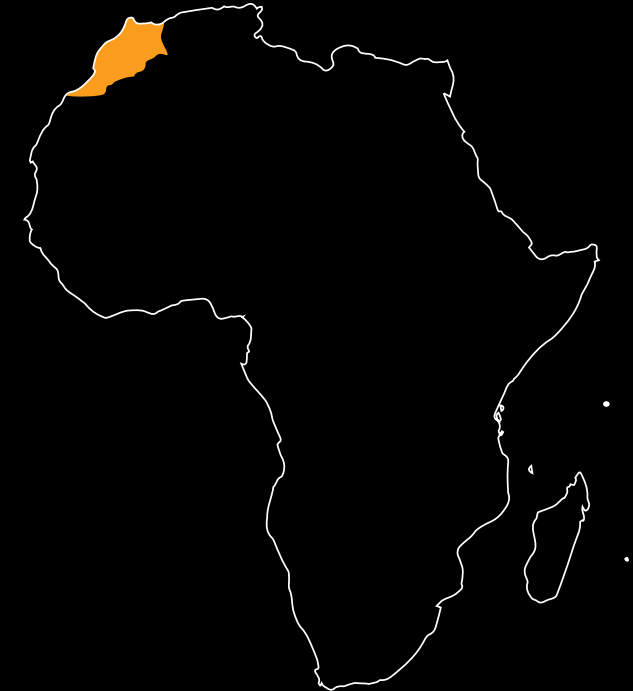
At fifth place overall on our model, Morocco is a highly attractive economy. Its model scores placing it in the top five of the 31 countries analysed – in addition to the final model score – include connectedness, innovation, forex stability and liquidity, and inflation.

The kingdom is also substantially urbanised (65%), with the economic hub of Casablanca ably complemented by cities of meaningful size, such as Fez, Tangier and Marrakesh. Morocco is a large economy and is well positioned in relation to European markets. It has a high degree of economic freedom and a good score on human development.

Recently, however, real economic growth experienced a dramatic decline. Growth fell from 8% in 2021 to 1.3%

in 2022 on the back of severe drought, the effects of the global economic slowdown, and rising commodity prices.³³ The North African nation was shocked again in September of 2023 with a devastating earthquake. While this natural disaster wrought a large human cost, and the recovery process will cost the fiscus dearly, it is not expected to result in sustained economic damage, as the effects were largely localised to remote mountain communities.

Personal freedom remains an area where Morocco has plenty of scope to improve. On this metric, it scores second lowest on the model. For instance, greater freedom for women to participate in the workplace has room to reap economic benefits.³⁴

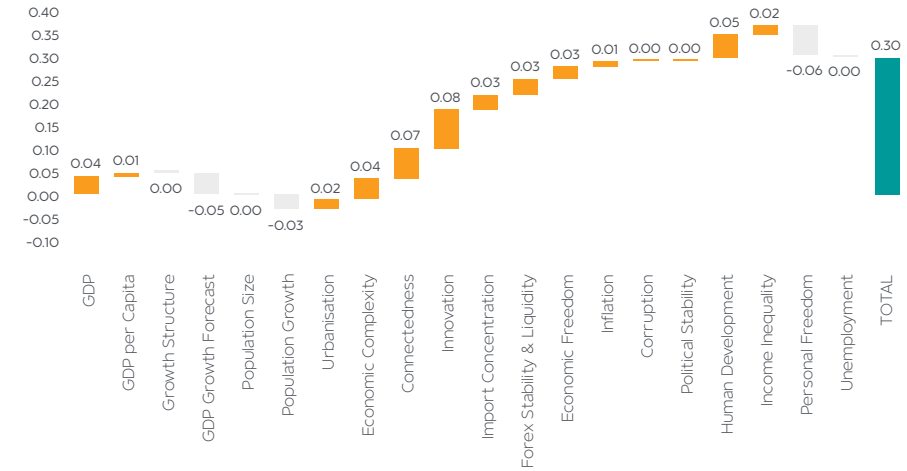


MOROCCO

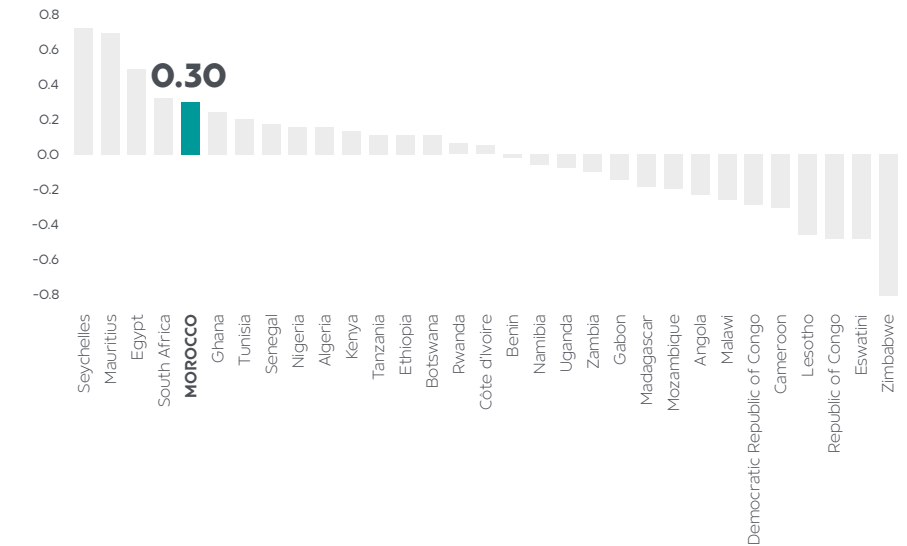


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
16	35%	Economic Performance & Potential	6	7.5%	0.04	GDP	US\$ Billions	144.0	84.5	393.9	2.2
			11	5.0%	0.01	GDP per Capita	\$	9,548	8,246	29,772	1,338
			15	2.5%	0.00	Growth Structure	%	3.7	3.7	7.1	0.3
			21	7.5%	-0.05	GDP Growth Forecast	%	3.3	4.4	7.8	1.3
			10	7.5%	0.00	Population Size	Millions	37.46	38.09	218.54	0.12
			28	2.5%	-0.03	Population Growth	%	11	2.3	4.9	0.0
			8	2.5%	0.02	Urbanisation	%	65	49	91	18
4	20%	Market Accessibility & Innovation	7	5.0%	0.04	Economic Complexity	Index	-0.35	-0.81	0.39	-1.86
			4	5.0%	0.07	Connectedness	Index	51.6	46.3	59.2	41.0
			3	5.0%	0.08	Innovation	Index	28.4	17.9	32.1	10.3
			11	5.0%	0.03	Import Concentration	Index	0.09	0.12	0.06	0.28
6	25%	Economic Stability & Investment Climate	4	5.0%	0.03	Forex Stability & Liquidity	Index	0.7	0.0	0.9	-0.9
			9	5.0%	0.03	Economic Freedom	Index	6.4	6.0	7.8	3.8
			5	5.0%	0.01	Inflation	%	3.0	19.0	1.6	354.4
			14	5.0%	0.00	Corruption	Index	38.0	36.9	71.0	20.0
			15	5.0%	0.00	Political Stability	Index	34.4	33.7	87.3	4.7
16	20%	Social & Human Development	8	5.0%	0.05	Human Development	Index	0.7	0.6	0.8	0.5
			14	5.0%	0.02	Income Inequality	Index	39.5	43.0	27.6	63.0
			30	5.0%	-0.06	Personal Freedom	Index	4.8	6.3	8.4	3.4
			21	5.0%	0.00	Unemployment	%	10.1	9.6	1.6	26.5
			5	/31	0.30	TOTAL					

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GHANA

RANK
6
OVERALL SCORE
0.27



Ghana represents a substantial market. Further, it is among the top ten for urbanisation, connectedness, innovation, political stability, personal freedom and employment. It also ranks favourably on corruption and tops the list on import concentration.



I GHANA

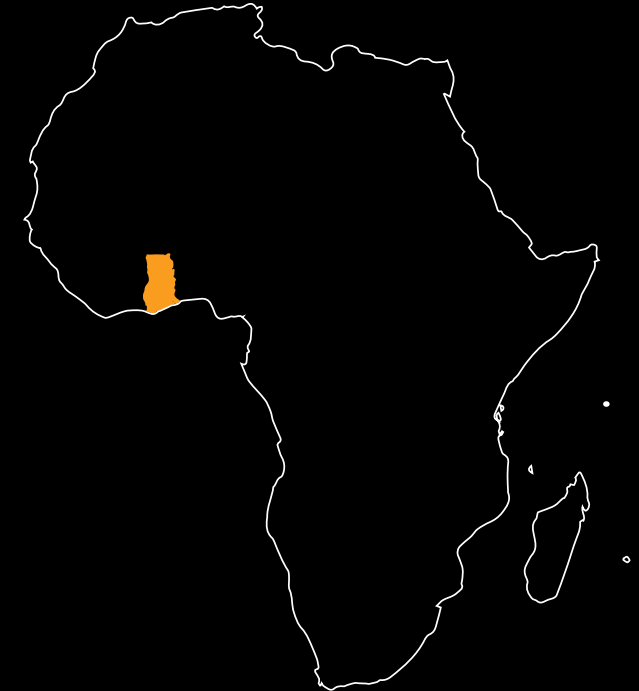
Discounting the two highly desirable but tiny islands (Seychelles and Mauritius), Ghana is the fourth most investable country in our model, behind Egypt, South Africa and Morocco.

With a GDP of US\$76bn and a population of some 33.5 million people, Ghana represents a substantial market. Further, it is among the top ten for urbanisation, connectedness, innovation, political stability, personal freedom and employment. It also ranks favourably on corruption and tops the list on import concentration. Critical to macroeconomic stability is addressing high public debt and inflation, particularly against the

backdrop of a three-year US\$3bn extended credit facility (2023-26) programme with the IMF.

There are positive signs on the fiscal front. "Fiscal consolidation is broadly on track, with an estimated deficit of 4.6% of GDP at the end of 2023, significantly lower than the 10.7% deficit in 2022. At 15.7% of GDP in 2023, revenues and grants reached the same level as 2022 despite lower oil revenues."³⁵

By 2027, growth is forecast to benefit from increased gold and oil exports as new projects come online.³⁶

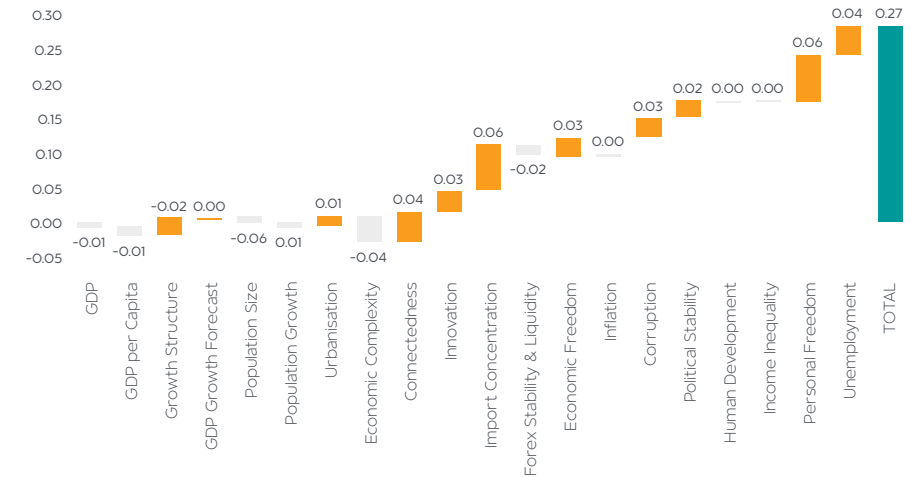


GHANA

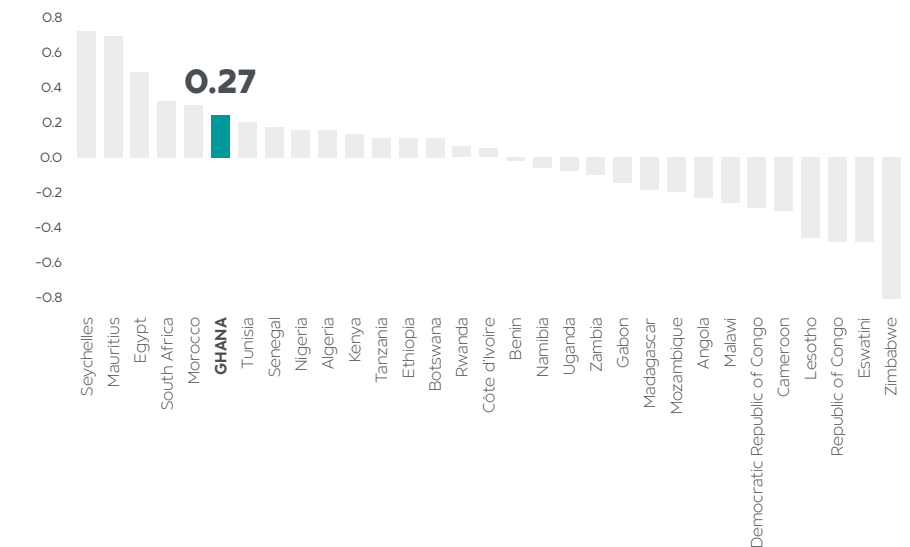


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
15	35%	Economic Performance & Potential	11	7.5%	-0.01	GDP	US\$ Billions	76.3	84.5	393.9	2.2
			14	5.0%	-0.01	GDP per Capita	\$	6,473	8,246	29,772	1,338
			5	2.5%	0.02	Growth Structure	%	5.0	3.7	7.1	0.3
			15	7.5%	0.00	GDP Growth Forecast	%	4.4	4.4	7.8	1.3
			12	7.5%	-0.01	Population Size	Millions	33,48	38,09	218.54	0.12
			19	2.5%	-0.01	Population Growth	%	2.1	2.3	4.9	0.0
			10	2.5%	0.01	Urbanisation	%	59	49	91	18
6	20%	Market Accessibility & Innovation	26	5.0%	-0.04	Economic Complexity	Index	-118	-0.81	0.39	-1.86
			6	5.0%	0.04	Connectedness	Index	49.7	46.3	59.2	41.0
			9	5.0%	0.03	Innovation	Index	21.3	17.9	32.1	10.3
			1	5.0%	0.06	Import Concentration	Index	0.06	0.12	0.06	0.28
8	25%	Economic Stability & Investment Climate	24	5.0%	-0.02	Forex Stability & Liquidity	Index	-0.4	0.0	0.9	-0.9
			10	5.0%	0.03	Economic Freedom	Index	6.4	6.0	7.8	3.8
			28	5.0%	0.00	Inflation	%	19.2	19.0	1.6	354.4
			6	5.0%	0.03	Corruption	Index	43.0	36.9	71.0	20.0
			9	5.0%	0.02	Political Stability	Index	43.9	33.7	87.3	4.7
3	20%	Social & Human Development	12	5.0%	0.00	Human Development	Index	0.6	0.6	0.8	0.5
			19	5.0%	0.00	Income Inequality	Index	43.5	43.0	27.6	63.0
			3	5.0%	0.06	Personal Freedom	Index	7.7	6.3	8.4	3.4
			8	5.0%	0.04	Unemployment	%	3.7	9.6	1.6	26.5
6	/31	0.27	TOTAL								

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TUNISIA

RANK
7
OVERALL SCORE
0.20



Most strikingly positive about Tunisia's economy is its economic complexity. Atop the podium with a first place on this metric, it is also 2.35 standard deviations above the average, positioning it well ahead of the rest of the continent.



I TUNISIA

Tunisia went through the so-called Jasmine Revolution in 2011, which led to the ousting of Zine El Abidine Ben Ali – president since 1987. This hugely disruptive spell ushered in a “decade of lost growth, exacerbated by the COVID-19 pandemic in 2020. GDP growth fell to 1.7% on average between 2011 and 2019, down from 3.5% between 2000 and 2011.”³⁷

Most strikingly positive about Tunisia’s economy is its economic complexity. Atop the podium with a first place on this metric, it is also 2.35 standard deviations above the average, positioning it well ahead of the rest of the continent. This is reflected in its export basket. Only one product reaches double digits as a percentage of

trade flow – that being insulated electrical wire. The rest of Tunisia’s exports span a wide array of relatively complex products, including ICT, motor vehicle parts and a variety of chemicals.

This is also a highly urbanised country. At fourth on the rankings, some 70% of Tunisians live in urban areas. Other top-five scores include connectedness, innovation, and human development.

Substantial economic pressures also apply. A populist political agenda persists with substantial public discontent, while public finances are strained and inflation remains elevated.³⁸

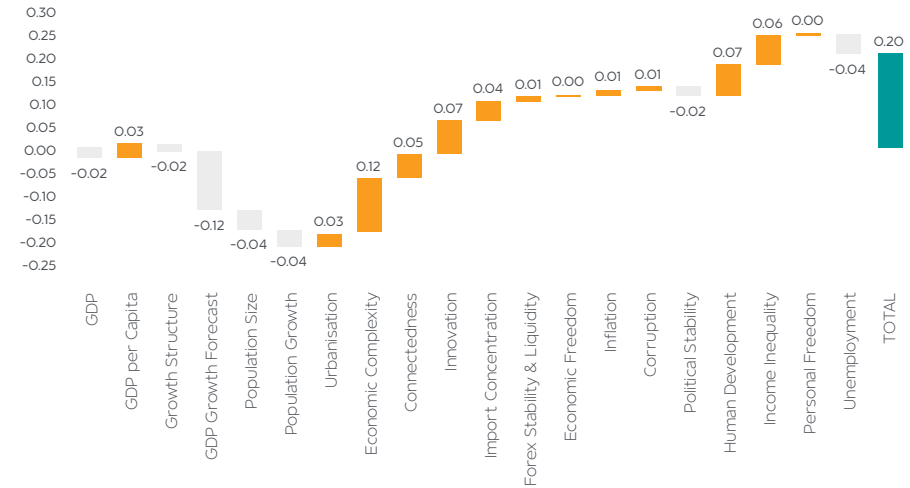


TUNISIA

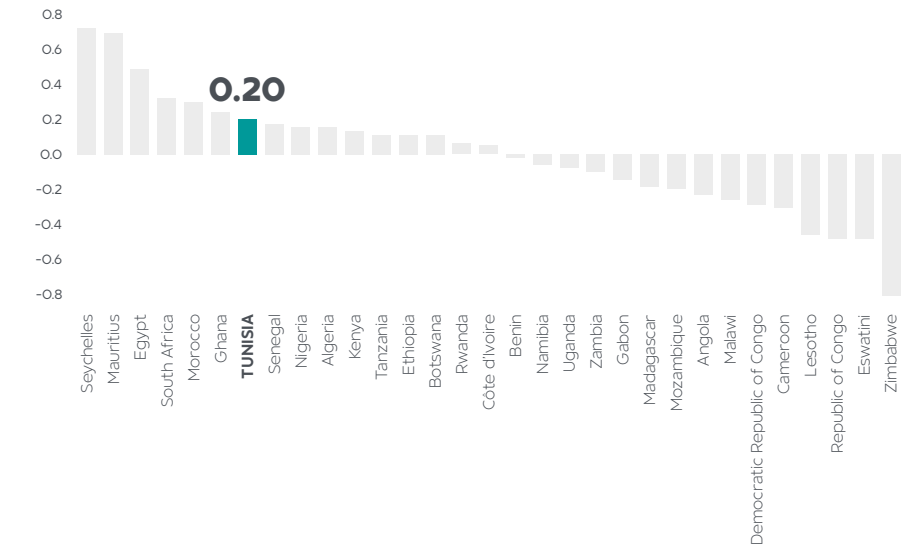


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
26	35%	Economic Performance & Potential	14	7.5%	-0.02	GDP	US\$ Billions	51.3	84.5	393.9	2.2
			8	5.0%	0.03	GDP per Capita	\$	12,484	8,246	29,772	1,338
			25	2.5%	-0.02	Growth Structure	%	2.8	3.7	7.1	0.3
			30	7.5%	-0.12	GDP Growth Forecast	%	1.6	4.4	7.8	1.3
			23	7.5%	-0.04	Population Size	Millions	12.36	38.09	218.54	0.12
			29	2.5%	-0.04	Population Growth	%	0.9	2.3	4.9	0.0
			4	2.5%	0.03	Urbanisation	%	70	49	91	18
2	20%	Market Accessibility & Innovation	1	5.0%	0.12	Economic Complexity	Index	0.39	-0.81	0.39	-1.86
			5	5.0%	0.05	Connectedness	Index	50.4	46.3	59.2	41.0
			4	5.0%	0.07	Innovation	Index	26.9	17.9	32.1	10.3
			7	5.0%	0.04	Import Concentration	Index	0.08	0.12	0.06	0.28
14	25%	Economic Stability & Investment Climate	8	5.0%	0.01	Forex Stability & Liquidity	Index	0.2	0.0	0.9	-0.9
			17	5.0%	0.00	Economic Freedom	Index	6.0	6.0	7.8	3.8
			21	5.0%	0.01	Inflation	%	7.1	19.0	1.6	354.4
			10	5.0%	0.01	Corruption	Index	40.0	36.9	71.0	20.0
			19	5.0%	-0.02	Political Stability	Index	24.1	33.7	87.3	4.7
5	20%	Social & Human Development	4	5.0%	0.07	Human Development	Index	0.7	0.6	0.8	0.5
			4	5.0%	0.06	Income Inequality	Index	32.8	43.0	27.6	63.0
			17	5.0%	0.00	Personal Freedom	Index	6.4	6.3	8.4	3.4
			24	5.0%	-0.04	Unemployment	%	15.9	9.6	1.6	26.5
7	/31	0.20	TOTAL								

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SENEGAL

RANK
8
OVERALL SCORE
0.18



A top-three ranking for economic growth forecast is Senegal's most positive achievement. The IMF sees the country's GDP growing at 6.8% in the five years to 2028.



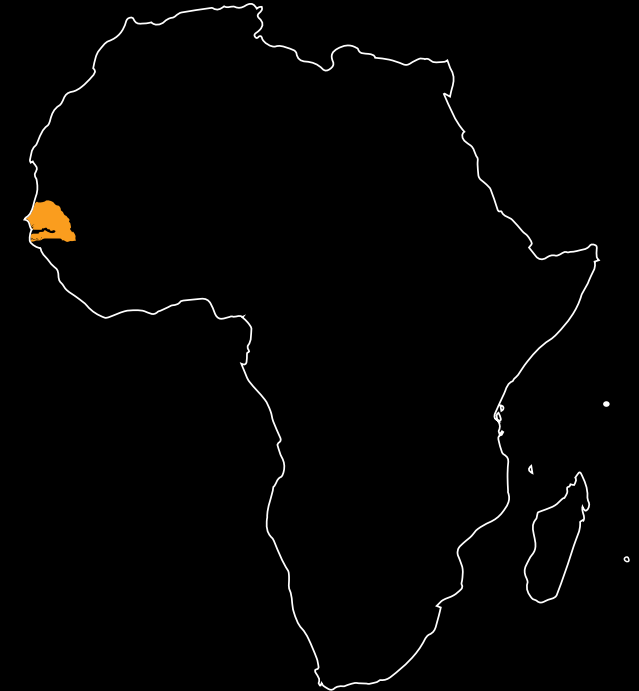
I SENEGAL

A top-three ranking for economic growth forecast is Senegal's most positive achievement. The IMF sees the country's GDP growing at 6.8% in the five years to 2028. Drivers of this include an upbeat prediction for hydrocarbon production,³⁹ easing of inflationary pressures, which reached a record annual average high of 9.7% for 2022, peaking at 14.1% in November of that year,⁴⁰ and a lowering of political tensions that spiked in the build-up to the March 2024 presidential elections.

Senegal's economy displays slightly more complexity than its income level would suggest. This injects a

positive force into the country's growth forecast, as indicated by the IMF's forecasting of an impressive 6.8% annual average for the period 2024 to 2028.

Senegal's main red flag in the rankings of its forex stability and liquidity. It comes in at 28 out of 31 countries. In particular, government debt as a percentage of GDP, import cover and its basic balance are metrics in need of improvement if Senegal is to improve its attractiveness as an investment destination.

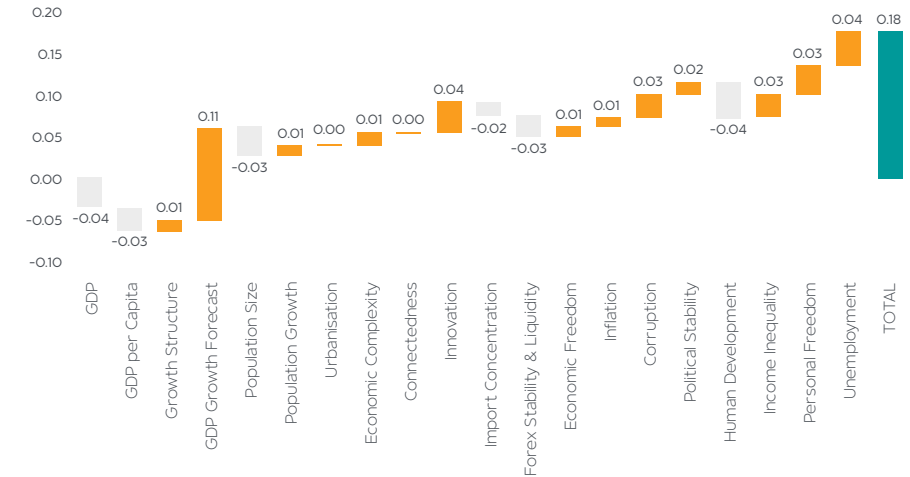


SENEGAL

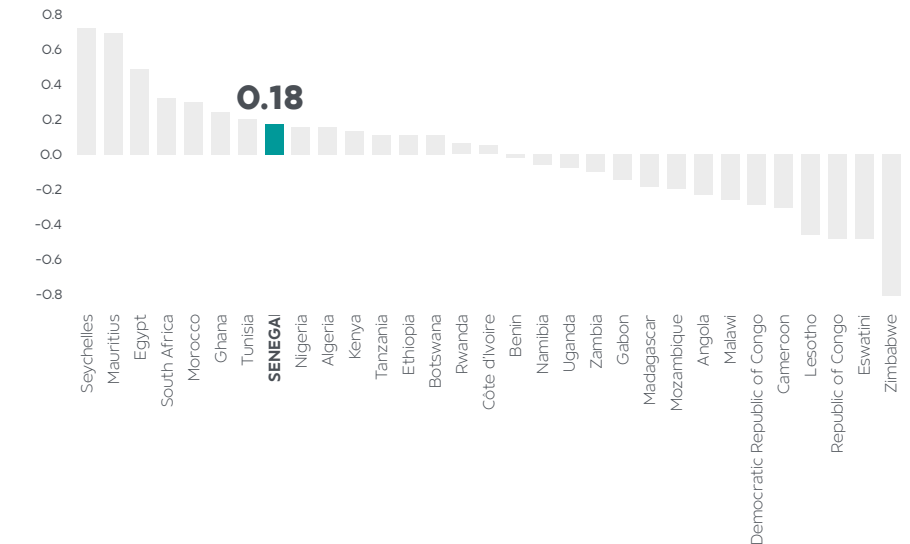


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
12	35%	Economic Performance & Potential	17	7.5%	-0.04	GDP	US\$ Billions	31.4	84.5	393.9	2.2
			19	5.0%	-0.03	GDP per Capita	\$	4,210	8,246	29,772	1,338
			9	2.5%	0.01	Growth Structure	%	4.4	3.7	7.1	0.3
			3	7.5%	0.11	GDP Growth Forecast	%	6.8	4.4	7.8	1.3
			19	7.5%	-0.03	Population Size	Millions	17.32	38.09	218.54	0.12
			10	2.5%	0.01	Population Growth	%	2.7	2.3	4.9	0.0
			16	2.5%	0.00	Urbanisation	%	49	49	91	18
10	20%	Market Accessibility & Innovation	11	5.0%	0.01	Economic Complexity	Index	-0.66	-0.81	0.39	-1.86
			12	5.0%	0.00	Connectedness	Index	46.3	46.3	59.2	41.0
			7	5.0%	0.04	Innovation	Index	22.5	17.9	32.1	10.3
			24	5.0%	-0.02	Import Concentration	Index	0.13	0.12	0.06	0.28
12	25%	Economic Stability & Investment Climate	28	5.0%	-0.03	Forex Stability & Liquidity	Index	-0.5	0.0	0.9	-0.9
			13	5.0%	0.01	Economic Freedom	Index	6.2	6.0	7.8	3.8
			11	5.0%	0.01	Inflation	%	4.3	19.0	1.6	354.4
			6	5.0%	0.03	Corruption	Index	43.0	36.9	71.0	20.0
9	20%	Social & Human Development	12	5.0%	0.02	Political Stability	Index	40.6	33.7	87.3	4.7
			25	5.0%	-0.04	Human Development	Index	0.5	0.6	0.8	0.5
			11	5.0%	0.03	Income Inequality	Index	38.3	43.0	27.6	63.0
			10	5.0%	0.03	Personal Freedom	Index	7.1	6.3	8.4	3.4
5	5.0%	0.04	Unemployment	%	3.4	9.6	1.6	26.5			
8	/31	0.18	TOTAL								

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NIGERIA

RANK
9
OVERALL SCORE
0.163



Being one of the largest economies on the continent and having the largest population gets Nigeria to an overall ranking of ninth.



I NIGERIA

Having topped the rankings as Africa's largest economy by GDP for some time, Nigeria is now third, following a major currency devaluation. However, Nigeria ends up further down the investability scoreboard than its sheer size may suggest, with an overall ranking of ninth on our model.

Nigeria boasts US\$375bn a year in GDP and the continent's largest population – nearly 220 million people. This is countered, however, by a middling score for GDP per capita at just 15th in the *RMB Where to Invest in Africa* model.

Economic complexity is another stark economic headwind. Nigeria's reliance on oil exports is reflected in its 29th position on the model for economic complexity. Petroleum and crude oils make up nearly 70% of its trade flows.

Nigeria's political stability repeats the nation's complexity ranking of 29th on the model. This expansive nation of many languages and cultural groupings, a complex and nuanced system of a presidency that alternates between the Christian south and the Muslim north, coupled with an insurgency problem, makes this a politically fraught place for investors.

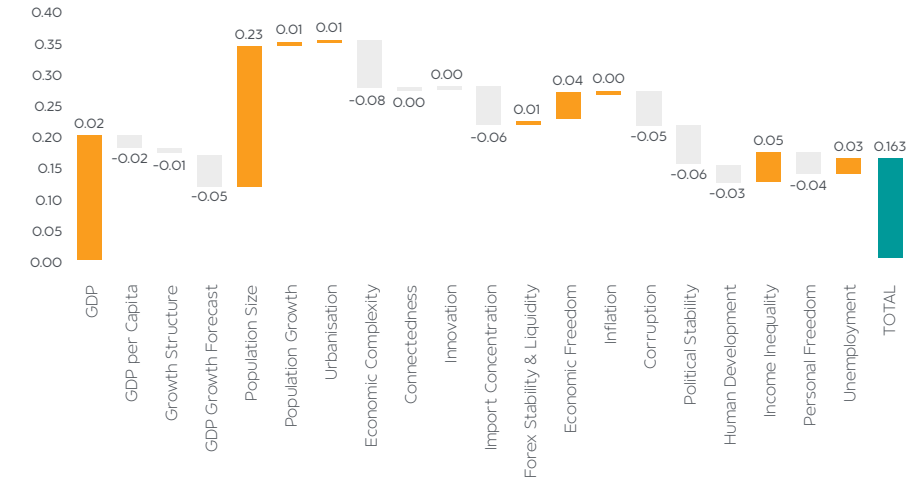
All this makes for a challenging business environment where great benefits are available to those who succeed. At the same time, Nigeria is becoming an easier place for investors to succeed. Its 2016 ranking on the Ease of Doing Business index was 169 out of 190 countries.⁴² It rose to position 131 in the 2020 edition.⁴³



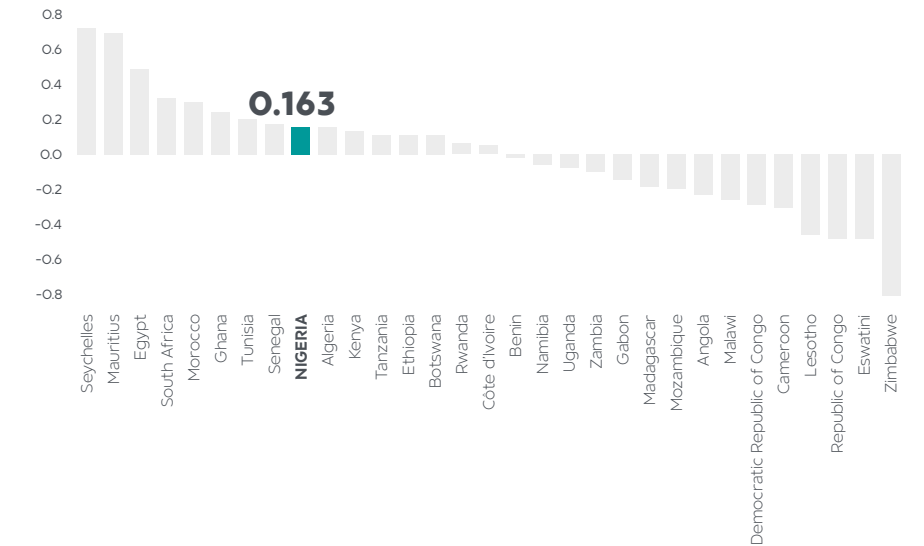
NIGERIA

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
2	35%	Economic Performance & Potential	3	7.5%	0.20	GDP	US\$ Billions	374.9	84.5	393.9	2.2
			15	5.0%	-0.02	GDP per Capita	\$	5,862	8,246	29,772	1,338
			23	2.5%	-0.01	Growth Structure	%	3.2	3.7	7.1	0.3
			24	7.5%	-0.05	GDP Growth Forecast	%	3.2	4.4	7.8	1.3
			1	7.5%	0.23	Population Size	Millions	218.54	38.09	218.54	0.12
			15	2.5%	0.01	Population Growth	%	2.5	2.3	4.9	0.0
			13	2.5%	0.01	Urbanisation	%	54	49	91	18
29	20%	Market Accessibility & Innovation	29	5.0%	-0.08	Economic Complexity	Index	-1.62	-0.81	0.39	-1.86
			14	5.0%	0.00	Connectedness	Index	46.2	46.3	59.2	41.0
			13	5.0%	0.00	Innovation	Index	18.4	17.9	32.1	10.3
			29	5.0%	-0.06	Import Concentration	Index	0.17	0.12	0.06	0.28
21	25%	Economic Stability & Investment Climate	10	5.0%	0.01	Forex Stability & Liquidity	Index	0.2	0.0	0.9	-0.9
			6	5.0%	0.04	Economic Freedom	Index	6.7	6.0	7.8	3.8
			27	5.0%	0.00	Inflation	%	17.0	19.0	1.6	354.4
			26	5.0%	-0.05	Corruption	Index	25.0	36.9	71.0	20.0
15	20%	Social & Human Development	29	5.0%	-0.06	Political Stability	Index	7.5	33.7	87.3	4.7
			20	5.0%	-0.03	Human Development	Index	0.5	0.6	0.8	0.5
			6	5.0%	0.05	Income Inequality	Index	35.1	43.0	27.6	63.0
			23	5.0%	-0.04	Personal Freedom	Index	5.4	6.3	8.4	3.4
15	5.0%	0.03	Unemployment	%	5.6	9.6	1.6	26.5			
9	/31	0.163	TOTAL								

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ALGERIA

RANK
10
OVERALL
SCORE
0.158



With a nominal GDP of US\$245bn, ranking fourth in the model, Algeria is firmly among Africa's large economies.

Urbanisation is very high and the scoring on forex stability and liquidity suggests a degree of comfort that investors will be able to move capital in and out.

I ALGERIA

The model highlights a paradox in Algeria's economy. On the one hand, Algeria's exports are highly concentrated. Hydrocarbons almost monopolise the North African nation's foreign income. They account for over 90% of product exports and around 20% of GDP.⁴⁴

In recent years, this has been a boon. It contributed to Algeria's ability to rebound, following a recession induced by the COVID-19 pandemic and associated lockdowns. GDP grew by 3.8% in 2021 on the back of a 5% contraction in 2020. However, diversification will be important to limit exposure to the whims of the resources cycle.

By contrast, the model demonstrates a healthy import market. Algeria ranks second-best in Africa for import concentration – that is, it has low import concentration,

reducing its exposure to supply difficulties or price swings from a small number of supplying countries or products. At 1.18 standard deviations above the average on the Z-score measure, it ranks behind only Ghana on this measure.

Algeria also stands out with reporting multiple positives in the model. With a nominal GDP of US\$245bn, ranked fourth on the model, Algeria is firmly among Africa's large economies. Urbanisation is very high and the scoring on forex stability and liquidity suggests a degree of comfort that investors will be able to move capital in and out.

Low scores for political stability and economic freedom may be concerns for investors.

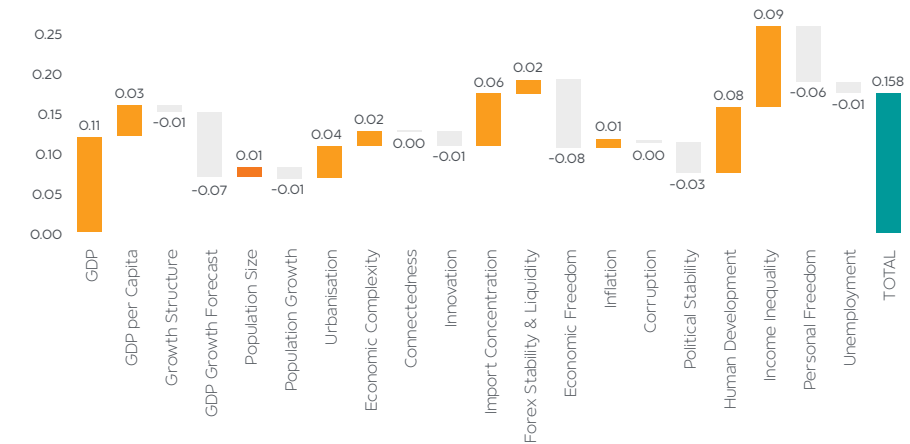


ALGERIA

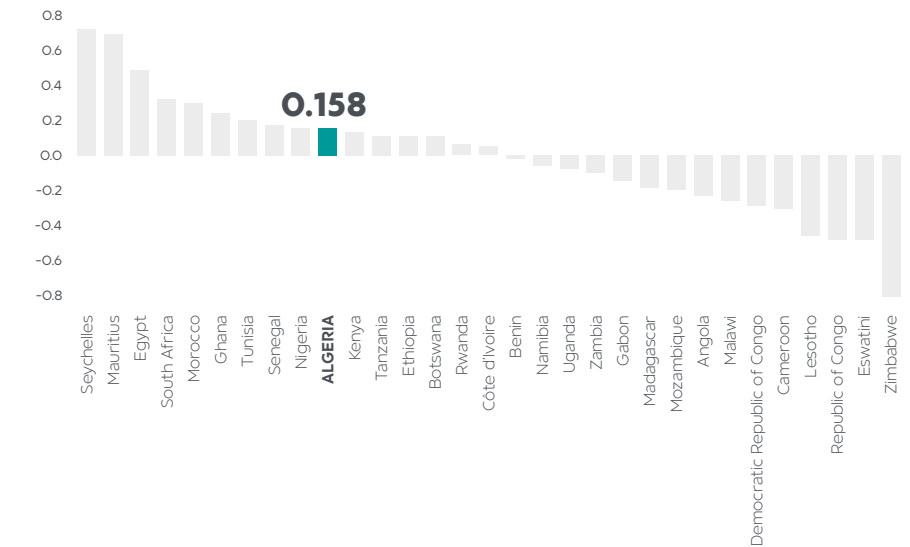


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
7	35%	Economic Performance & Potential	4	7.5%	0.11	GDP	US\$ Billions	244.7	84.5	393.9	2.2
			7	5.0%	0.03	GDP per Capita	\$	13,227	8,246	29,772	1,338
			21	2.5%	-0.01	Growth Structure	%	3.4	3.7	7.1	0.3
			26	7.5%	-0.07	GDP Growth Forecast	%	2.7	4.4	78	1.3
			9	7.5%	0.01	Population Size	Millions	44.90	38.09	218.54	0.12
			23	2.5%	-0.01	Population Growth	%	1.8	2.3	4.9	0.0
			2	2.5%	0.04	Urbanisation	%	75	49	91	18
9	20%	Market Accessibility & Innovation	10	5.0%	0.02	Economic Complexity	Index	-0.63	-0.81	0.39	-1.86
			15	5.0%	0.00	Connectedness	Index	46.1	46.3	59.2	41.0
			18	5.0%	-0.01	Innovation	Index	16.1	17.9	32.1	10.3
			2	5.0%	0.06	Import Concentration	Index	0.07	0.12	0.06	0.28
			6	5.0%	0.02	Forex Stability & Liquidity	Index	0.6	0.0	0.9	-0.9
24	25%	Economic Stability & Investment Climate	30	5.0%	-0.08	Economic Freedom	Index	4.8	6.0	7.8	3.8
			17	5.0%	0.01	Inflation	%	6.0	19.0	1.6	354.4
			17	5.0%	0.00	Corruption	Index	36.0	36.9	71.0	20.0
			22	5.0%	-0.03	Political Stability	Index	19.3	33.7	87.3	4.7
			3	5.0%	0.08	Human Development	Index	0.7	0.6	0.8	0.5
4	20%	Social & Human Development	1	5.0%	0.09	Income Inequality	Index	27.6	43.0	27.6	63.0
			29	5.0%	-0.06	Personal Freedom	Index	4.8	6.3	8.4	3.4
			22	5.0%	-0.01	Unemployment	%	11.3	9.6	1.6	26.5
			10	/31	0.158	TOTAL					

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TOTAL OVERALL SCORE



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COUNTRY SNAPSHOT

KENYA

RANK
11
OVERALL SCORE
0.14



Investors will be watching Kenya's approach to its lowest metric score: *political stability*. Kenya's ranking of 25 out of 31 countries reflects political and social tensions that flow from inequality and corruption, as well as the security risks that come with ongoing conflict in the region.

I KENYA

Kenya plays a lead role in East Africa, accounting for nearly half of the East African Community's GDP.⁴⁵ Over the five years to 2019, Kenya grew at an average of 4.8%, in line with middle-income countries and double the sub-Saharan African average.

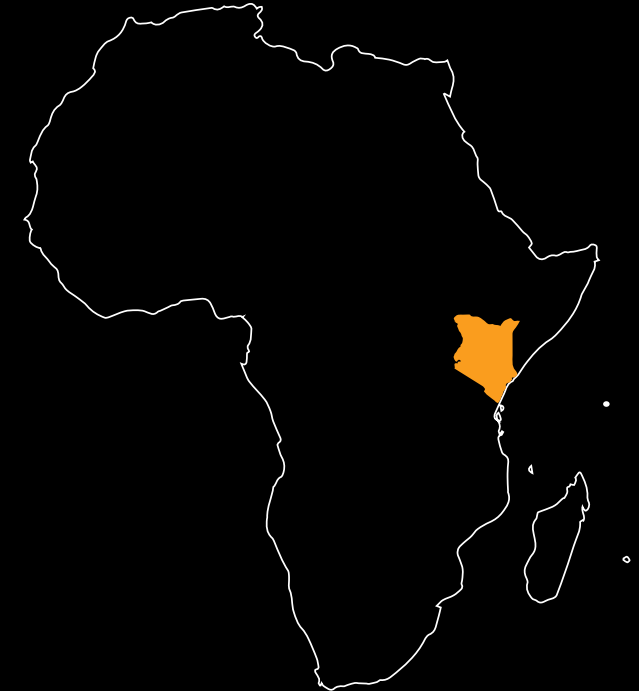
The COVID-19 pandemic and lockdowns set back the country's admirable strides in poverty reduction, however, the economy recovered impressively in 2021 with a 7.6% growth rate (despite sectors like tourism lagging in the aftermath of the pandemic).

Dubbed 'Silicon Savannah', Kenya benefits from its status as East Africa's tech hub. It leads the way with fintech, including mobile payments and agritech. Data

from late 2021 found that 98% of people in Kenya own a SIM card, more than half use a smartphone and 94% use mobile money.⁴⁶

Investors will be watching Kenya's approach to its lowest metric score: political stability. Kenya's ranking of 25 out of 31 countries reflects political and social tensions that flow from inequality and corruption, as well as the security risks that come with ongoing conflict in the region - including the country's neighbours Sudan, Ethiopia and Somalia.⁴⁷

Signs of improvement in political risk will make the highly diversified economy with growing ICT and finance sectors more attractive to investors.

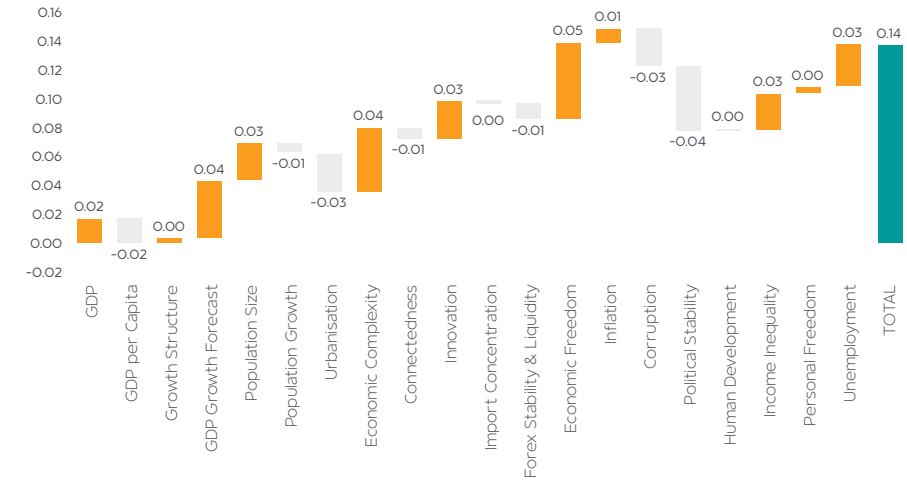


KENYA

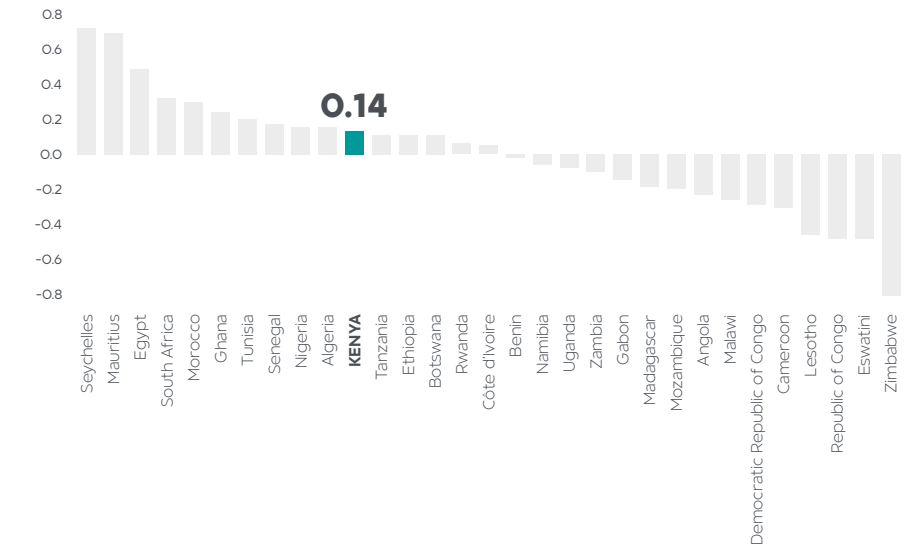


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
13	35%	Economic Performance & Potential	7	7.5%	0.02	GDP	US\$ Billions	108.9	84.5	393.9	2.2
			16	5.0%	-0.02	GDP per Capita	\$	5,766	8,246	29,772	1,338
			11	2.5%	0.00	Growth Structure	%	3.9	3.7	7.1	0.3
			9	7.5%	0.04	GDP Growth Forecast	%	5.2	4.4	7.8	1.3
			7	7.5%	0.03	Population Size	Millions	54.03	38.09	218.54	0.12
			21	2.5%	-0.01	Population Growth	%	2.0	2.3	4.9	0.0
			26	2.5%	-0.03	Urbanisation	%	29	49	91	18
8	20%	Market Accessibility & Innovation	6	5.0%	0.04	Economic Complexity	Index	-0.35	-0.81	0.39	-1.86
			16	5.0%	-0.01	Connectedness	Index	45.6	46.3	59.2	41.0
			10	5.0%	0.03	Innovation	Index	21.2	17.9	32.1	10.3
			19	5.0%	0.00	Import Concentration	Index	0.12	0.12	0.06	0.28
17	25%	Economic Stability & Investment Climate	22	5.0%	-0.01	Forex Stability & Liquidity	Index	-0.2	0.0	0.9	-0.9
			4	5.0%	0.05	Economic Freedom	Index	6.8	6.0	7.8	3.8
			19	5.0%	0.01	Inflation	%	6.4	19.0	1.6	354.4
			21	5.0%	-0.03	Corruption	Index	31.0	36.9	71.0	20.0
			25	5.0%	-0.04	Political Stability	Index	15.1	33.7	87.3	4.7
10	20%	Social & Human Development	13	5.0%	0.00	Human Development	Index	0.6	0.6	0.8	0.5
			13	5.0%	0.03	Income Inequality	Index	38.7	43.0	27.6	63.0
			16	5.0%	0.00	Personal Freedom	Index	6.4	6.3	8.4	3.4
			13	5.0%	0.03	Unemployment	%	5.2	9.6	1.6	26.5
			11	/31	0.14	TOTAL					

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TANZANIA



Scores in the bottom third for economic complexity and GDP per capita suggest that growing into more productive industries will improve investment attractiveness.

RANK

12

OVERALL SCORE

0.12



TANZANIA

Three measures of growth position Tanzania well. The IMF GDP growth forecast puts the East African nation in seventh place out of 31 countries. The growth structure score is better, putting it at fourth place, with forecast growth of 5%. Hosting the tenth largest economy out of the 31 analysed is in line with Tanzania's overall ranking of position 12.

A series of three scores that place Tanzania 23rd on the table capture the nation's challenges. Being a large nation with limited metropolitan areas outside of Dar es Salaam, the country is hampered by lower urbanisation levels. Similarly, connectedness is poor. Quality of life suffers, as reflected by low human development.

Tailwinds for Tanzania include a large and growing population, alongside low levels of unemployment.

Scores in the bottom third for economic complexity and GDP per capita suggest that growing into more productive industries will improve investment attractiveness.

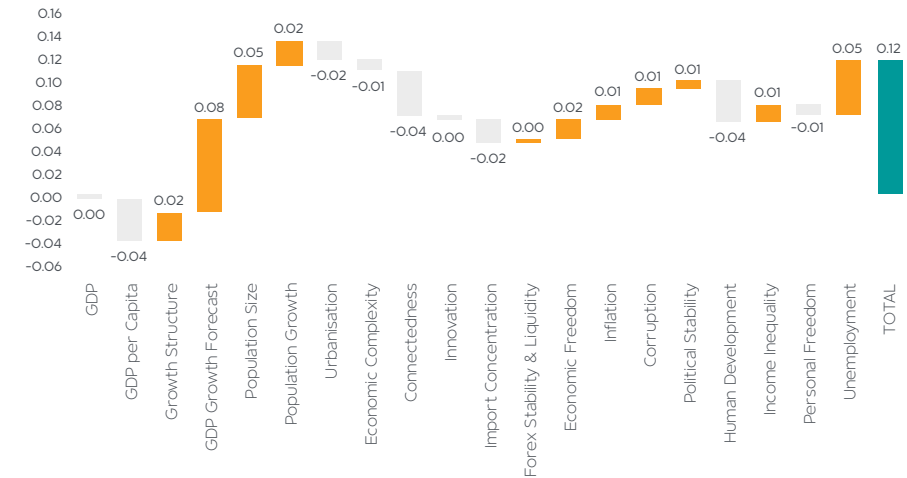
Tanzania is the world's 14th largest producer of natural gas and the country's output increased by 18% during 2022.⁴⁸ Significant discoveries in recent years form "flagship projects in Tanzania's Third National Five Years Development Plan. The project will involve drilling development wells in deep offshore fields, construction of subsea pipelines from deep offshore fields that will transport natural gas onshore for processing, construction of an LNG plant, and development of jetty loading facilities in the project area. Total investment on these activities is estimated to be about US\$32.7bn (over 40% of current GDP)."⁴⁹



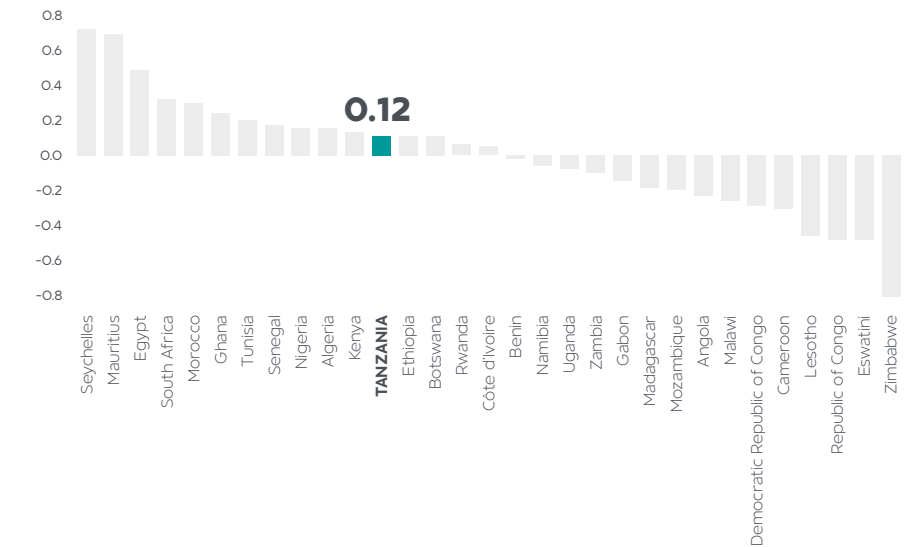
TANZANIA

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
4	35%	Economic Performance & Potential	10	7.5%	0.00	GDP	US\$ Billions	79.4	84.5	393.9	2.2
			22	5.0%	-0.04	GDP per Capita	\$	3,099	8,246	29,772	1,338
			4	2.5%	0.02	Growth Structure	%	5.0	3.7	7.1	0.3
			7	7.5%	0.08	GDP Growth Forecast	%	6.2	4.4	7.8	1.3
			5	7.5%	0.05	Population Size	Millions	65.50	38.09	218.54	0.12
			5	2.5%	0.02	Population Growth	%	3.1	2.3	4.9	0.0
			23	2.5%	-0.02	Urbanisation	%	37	49	91	18
20	20%	Market Accessibility & Innovation	21	5.0%	-0.01	Economic Complexity	Index	-0.91	-0.81	0.39	-1.86
			23	5.0%	-0.04	Connectedness	Index	43.2	46.3	59.2	41.0
			15	5.0%	0.00	Innovation	Index	17.4	17.9	32.1	10.3
			25	5.0%	-0.02	Import Concentration	Index	0.14	0.12	0.06	0.28
9	25%	Economic Stability & Investment Climate	14	5.0%	0.00	Forex Stability & Liquidity	Index	0.1	0.0	0.9	-0.9
			12	5.0%	0.02	Economic Freedom	Index	6.3	6.0	7.8	3.8
			7	5.0%	0.01	Inflation	%	3.8	19.0	1.6	354.4
			10	5.0%	0.01	Corruption	Index	40.0	36.9	71.0	20.0
			14	5.0%	0.01	Political Stability	Index	36.8	33.7	87.3	4.7
12	20%	Social & Human Development	23	5.0%	-0.04	Human Development	Index	0.5	0.6	0.8	0.5
			15	5.0%	0.01	Income Inequality	Index	40.5	43.0	27.6	63.0
			18	5.0%	-0.01	Personal Freedom	Index	6.1	6.3	8.4	3.4
			3	5.0%	0.05	Unemployment	%	2.5	9.6	1.6	26.5
12	/31	0.12	TOTAL								

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ETHIOPIA



With an overall ranking of 13th, Ethiopia may be nearing the middle of the pack. This is the result of multiple positives and negatives in the tails of the bell curve.

RANK
13

OVERALL SCORE
0.116



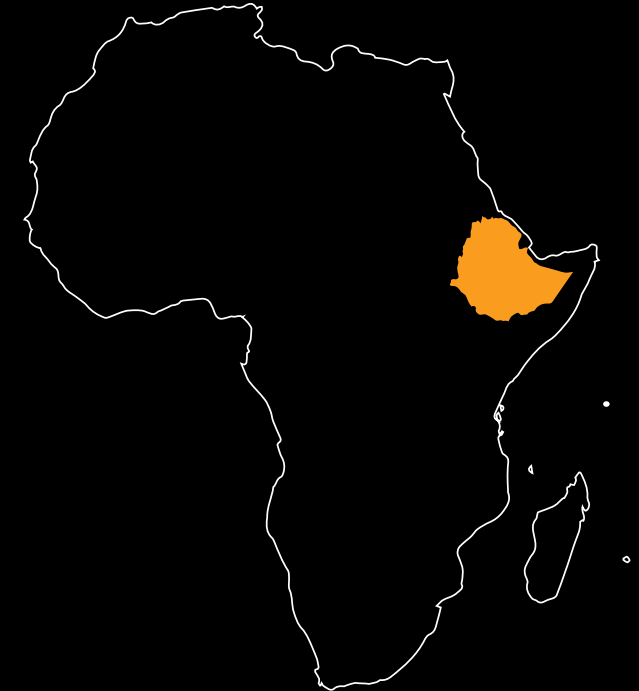
I ETHIOPIA

With an overall ranking of 13th, Ethiopia may be nearing the middle of the pack. This is the result of multiple positives and negatives in the tails of the bell curve. In its favour is a large GDP of US\$160bn, positioning Ethiopia fifth on the ranking. The large population of 123 million people is highly attractive to investors and makes it the second largest in our model.

GDP growth measures are also attractive. Our composite growth structure score places it second-best out of 31 nations and the IMF forecast of 6.6% makes it fourth best on the list.

However, Ethiopia also has the lowest score of 31 out of 31 nations for political stability as a result of the violence between the Ethiopian government and the Tigray People's Liberation Front (TPLF) - despite the peace agreement signed in Pretoria, South Africa, in November of 2022.

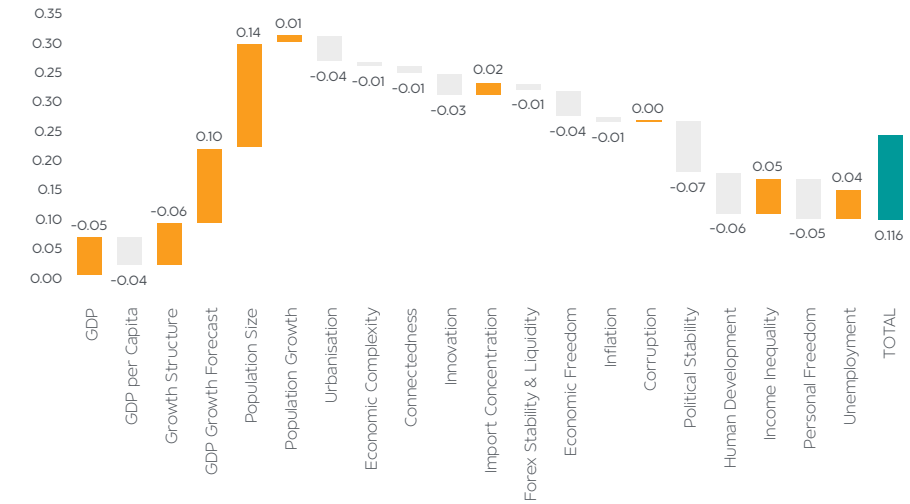
Similarly, despite its large GDP and upbeat growth prospects, conflict also contributes to a poor human development score, leaving Ethiopia ranked 28th on this metric.



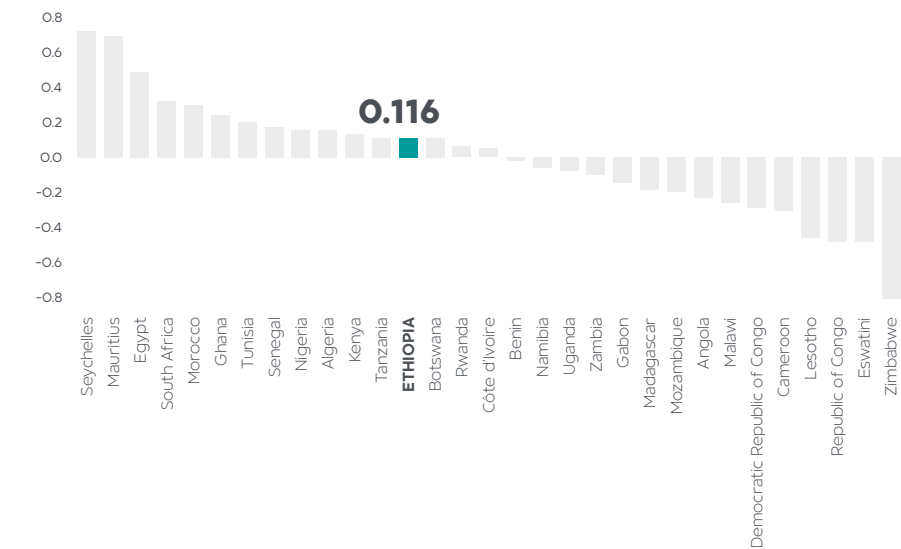
ETHIOPIA

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
3	35%	Economic Performance & Potential	5	7.5%	0.05	GDP	US\$ Billions	159.7	84.5	393.9	2.2
			23	5.0%	-0.04	GDP per Capita	\$	2,813	8,246	29,772	1,338
			2	2.5%	0.06	Growth Structure	%	6.7	3.7	7.1	0.3
			4	7.5%	0.10	GDP Growth Forecast	%	6.6	4.4	7.8	1.3
			2	7.5%	0.14	Population Size	Millions	123.38	38.09	218.54	0.12
			12	2.5%	0.01	Population Growth	%	2.7	2.3	4.9	0.0
			29	2.5%	-0.04	Urbanisation	%	23	49	91	18
16	20%	Market Accessibility & Innovation	20	5.0%	-0.01	Economic Complexity	Index	-0.88	-0.81	0.39	-1.86
			17	5.0%	-0.01	Connectedness	Index	45.4	46.3	59.2	41.0
			22	5.0%	-0.03	Innovation	Index	14.3	17.9	32.1	10.3
			14	5.0%	0.02	Import Concentration	Index	0.10	0.12	0.06	0.28
28	25%	Economic Stability & Investment Climate	20	5.0%	-0.01	Forex Stability & Liquidity	Index	-0.2	0.0	0.9	-0.9
			24	5.0%	-0.04	Economic Freedom	Index	5.4	6.0	7.8	3.8
			30	5.0%	-0.01	Inflation	%	25.4	19.0	16	354.4
			15	5.0%	0.00	Corruption	Index	37.0	36.9	71.0	20.0
			31	5.0%	-0.07	Political Stability	Index	4.7	33.7	87.3	4.7
18	20%	Social & Human Development	28	5.0%	-0.06	Human Development	Index	0.5	0.6	0.8	0.5
			5	5.0%	0.05	Income Inequality	Index	35.0	43.0	27.6	63.0
			26	5.0%	-0.05	Personal Freedom	Index	5.0	6.3	8.4	3.4
			7	5.0%	0.04	Unemployment	%	3.7	9.6	1.6	26.5
13	/31	0.116	TOTAL								

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BOTSWANA



Botswana has the dubious honour of holding a first place and a last place in our model. It tops the list for *political stability*. This reflects a tradition of free elections and political cohesion.

RANK
14

OVERALL SCORE
0.115



I BOTSWANA

One popular narrative about Botswana dominates its fortunes. Nearly three quarters of the SADC member's exports are diamonds and nearly one third of this volume is destined for the UAE, and another one fifth to Belgium.⁵⁰ For a small, open nation, this leaves Botswana's economic fortunes largely in the hands of forces outside its control.

Botswana has the dubious honour of holding a first place and a last place in our model. It tops the list for political stability. This reflects a tradition of free elections and political cohesion. On this score it is a leading light and the envy of many African nations and. The ruling Botswana Democratic Party, led by President Mokgweetsi Masisi, is widely expected to maintain control and its large parliamentary majority.⁵¹

Sadly, this has not translated into a healthy import sector, where Botswana ranks last, fully 3.59 standard deviations (without clipping the Z-score) below the average. The landlocked nation has a small domestic market and relies on its southern neighbour South Africa for imports of electricity and petroleum. This has not been a problem during spells where

South Africa has been stable and growing. However, South Africa has entered a period of deep structural challenges, including an inability to produce sufficient electricity for its own needs, stagnant growth, deteriorating infrastructure and political schism.

Diamond deposits and political stability contribute to a major attraction of Botswana in the form of a high GDP per capita. At around US\$7,000, it ranks third in the model. This cannot be viewed without the context of high inequality and unemployment of some 20%.

Currently, Botswana's growth structure and IMF forecast suggest GDP growth of approximately 4%. With such admirable foundations in political stability, income per person, and low corruption, Botswana has strong capacities to tackle its obvious challenges.

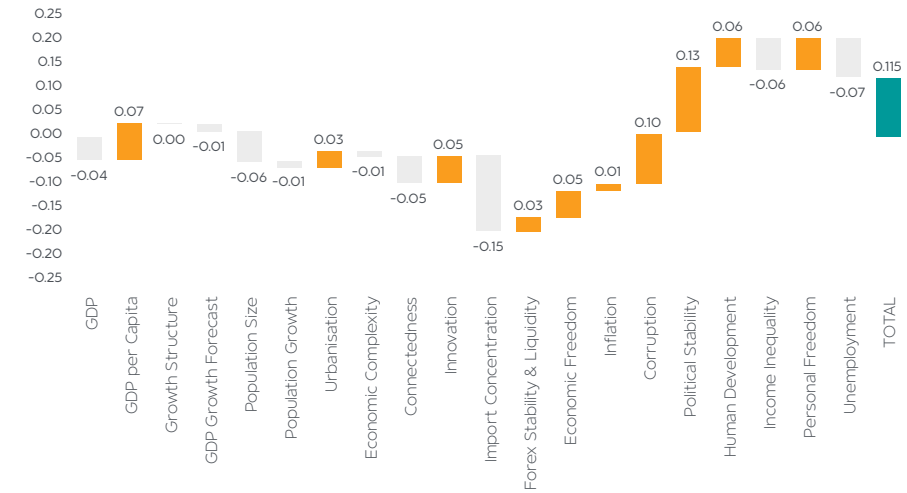
Investors will do well to monitor Botswana's capacity to limit reliance on a troubled South Africa and diversify its export basket away from diamonds - ideally to products with greater complexity, such as industrial machinery and iron and steel products.⁵²



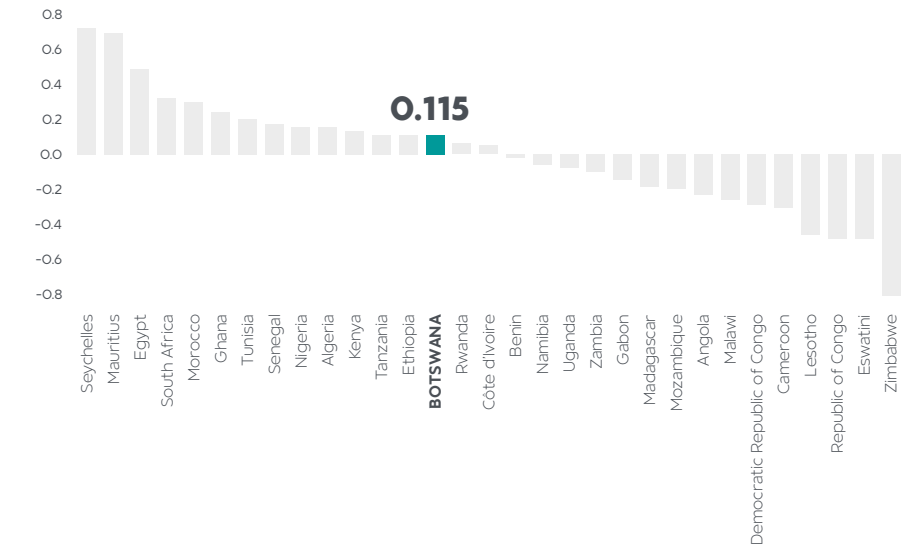
BOTSWANA

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
18	35%	Economic Performance & Potential	21	7.5%	-0.04	GDP	US\$ Billions	20.4	84.5	393.9	2.2
			3	5.0%	0.07	GDP per Capita	\$	18,330	8,246	29,772	1,338
			16	2.5%	0.00	Growth Structure	%	3.7	3.7	7.1	0.3
			17	7.5%	-0.01	GDP Growth Forecast	%	4.0	4.4	7.8	1.3
			25	7.5%	-0.06	Population Size	Millions	2.63	38.09	218.54	0.12
			22	2.5%	-0.01	Population Growth	%	1.8	2.3	4.9	0.0
			3	2.5%	0.03	Urbanisation	%	72	49	91	18
			31	20%	Market Accessibility & Innovation	22	5.0%	-0.01	Economic Complexity	Index	-0.92
31	20%	Market Accessibility & Innovation	27	5.0%	-0.05	Connectedness	Index	42.2	46.3	59.2	41.0
			5	5.0%	0.05	Innovation	Index	24.6	17.9	32.1	10.3
			31	5.0%	-0.15	Import Concentration	Index	0.28	0.12	0.06	0.28
			3	25%	Economic Stability & Investment Climate	5	5.0%	0.03	Forex Stability & Liquidity	Index	0.6
3	25%	Economic Stability & Investment Climate	3	5.0%	0.05	Economic Freedom	Index	6.8	6.0	7.8	3.8
			16	5.0%	0.01	Inflation	%	5.7	19.0	1.6	354.4
			2	5.0%	0.10	Corruption	Index	59.0	36.9	71.0	20.0
			1	5.0%	0.13	Political Stability	Index	87.3	33.7	87.3	4.7
			17	20%	Social & Human Development	7	5.0%	0.06	Human Development	Index	0.7
17	20%	Social & Human Development	27	5.0%	-0.06	Income Inequality	Index	53.3	43.0	27.6	63.0
			4	5.0%	0.06	Personal Freedom	Index	7.6	6.3	8.4	3.4
			26	5.0%	-0.07	Unemployment	%	20.6	9.6	1.6	26.5
			14	/31	0.115	TOTAL					

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RWANDA

RANK
15
OVERALL SCORE
0.06



The small East African nation's moniker of the 'Singapore of Africa' is reflected in its ranking position for growth *structure*, where it tops the list of 31 nations, standing 2.58 standard deviations above the average.

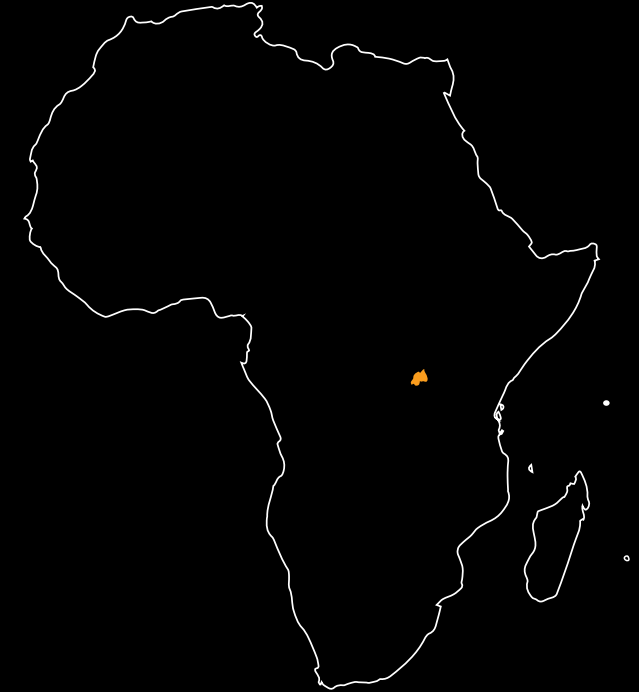
I RWANDA

The small East African nation's moniker of the 'Singapore of Africa' is reflected in its ranking position for growth structure, where it tops the list of 31 nations, standing 2.58 standard deviations above the average. Its public-sector-led investment and high population growth are noteworthy drivers.

This status as a growth giant is echoed by the second-best score on the IMF growth forecast. The organisation forecasts 7.2% GDP growth for Rwanda, against our model average of 4.4%, across 31 countries, on average for the five-year period beginning in 2024. This growth is anticipated to be a broad-based expansion, distributed among multiple sectors.⁵³

On the opposite end of the spectrum, Rwanda scores lowest for urbanisation. Just under 18% of Rwanda's population live in an urban area. Urbanisation, and its many socioeconomic benefits, would be aided by enhancing connectivity via improved roads and other transport infrastructure.⁵⁴ Indeed, the connectedness rank of 24th place reflects much scope for improvement. Another of landlocked Rwanda's monikers, the 'Land of a Thousand Hills' helps to explain some of the country's struggles with connectedness.

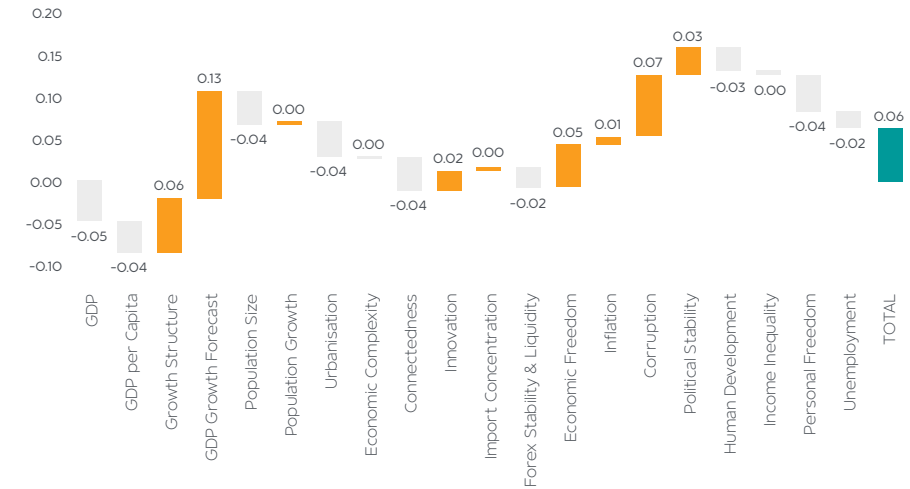
Strongly in favour of Rwanda are its highly reliable political stability and very low levels of corruption. The capital city of Kigali is also a shining, safe and efficient place which is highly conducive to international business visits.



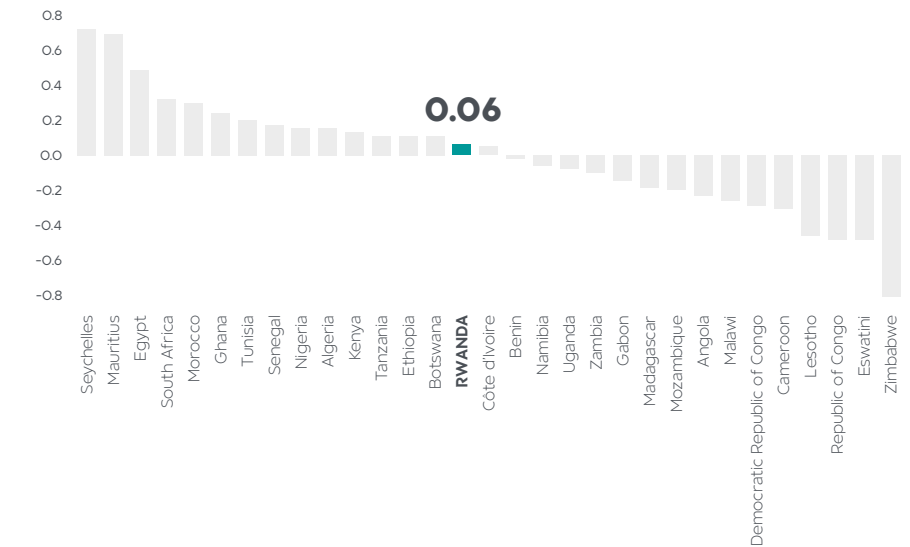
RWANDA

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
14	35%	Economic Performance & Potential	26	7.5%	-0.05	GDP	US\$ Billions	14.0	84.5	393.9	2.2
			24	5.0%	-0.04	GDP per Capita	\$	2,793	8,246	29,772	1,338
			1	2.5%	0.06	Growth Structure	%	7.1	3.7	7.1	0.3
			2	7.5%	0.13	GDP Growth Forecast	%	7.2	4.4	7.8	1.3
			21	7.5%	-0.04	Population Size	Millions	13.78	38.09	218.54	0.12
			16	2.5%	0.00	Population Growth	%	2.4	2.3	4.9	0.0
			31	2.5%	-0.04	Urbanisation	%	18	49	91	18
15	20%	Market Accessibility & Innovation	13	5.0%	0.00	Economic Complexity	Index	-0.81	-0.81	0.39	-1.86
			24	5.0%	-0.04	Connectedness	Index	43.2	46.3	59.2	41.0
			11	5.0%	0.02	Innovation	Index	20.6	17.9	32.1	10.3
			16	5.0%	0.00	Import Concentration	Index	0.11	0.12	0.06	0.28
			26	5.0%	-0.02	Forex Stability & Liquidity	Index	-0.5	0.0	0.9	-0.9
5	25%	Economic Stability & Investment Climate	5	5.0%	0.05	Economic Freedom	Index	6.8	6.0	7.8	3.8
			22	5.0%	0.01	Inflation	%	7.8	19.0	1.6	354.4
			3	5.0%	0.07	Corruption	Index	53.0	36.9	71.0	20.0
			7	5.0%	0.03	Political Stability	Index	47.6	33.7	87.3	4.7
			20	5.0%	-0.03	Human Development	Index	0.5	0.6	0.8	0.5
28	20%	Social & Human Development	20	5.0%	0.00	Income Inequality	Index	43.7	43.0	27.6	63.0
			24	5.0%	-0.04	Personal Freedom	Index	5.3	6.3	8.4	3.4
			23	5.0%	-0.02	Unemployment	%	12.8	9.6	1.6	26.5
			15	/31	0.06	TOTAL					

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CÔTE D'IVOIRE



The combined growth structure score puts Côte d'Ivoire at sixth best in the model, as does the IMF growth forecast with a five-year growth average of 6.3%.

RANK

16

OVERALL SCORE

0.05



I CÔTE D'IVOIRE

The world's largest cocoa producer has been riding high on record cocoa prices of late. Recent news of cocoa futures should not distract from the benefits of strong fundamentals. The West African nation saw some growth (0.7%) during the pandemic-hit year of 2020, before achieving a growth rate of just under 7% in 2022.

Côte d'Ivoire's GDP grew by more than 6% in 2023, with the current account deficit and budget deficit shrinking as a percent of GDP.⁵⁵ Unemployment is also very low at only 2.7%. In such instances, we acknowledge the likelihood of measurement error. In the same breath we accept that this is an inescapable reality of our method, with some comfort coming from the fact that there are

19 other elements that will have moderating effects in the instance of measurement error.

Sound growth credentials are confirmed by our model. The combined growth structure score puts Côte d'Ivoire at sixth best in the model, as does the IMF growth forecast with a five-year growth average of 6.3%.

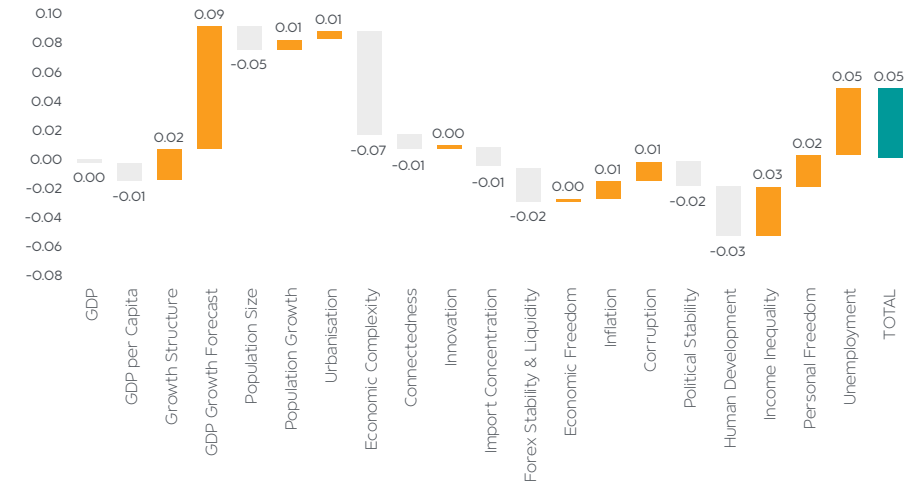
However, one of its strengths contains a hidden weakness. Côte d'Ivoire relies heavily on cocoa beans and related products. This is a boon when prices are robust. However, these prices are subject to volatility. Cocoa is also a lower value-add item. The economy would benefit from diversification and expansion into higher value-add products.



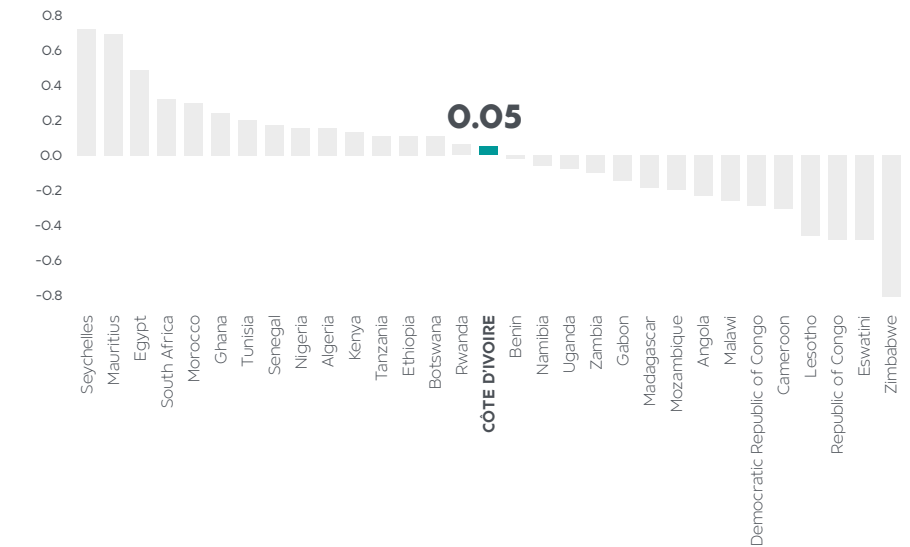
CÔTE D'IVOIRE

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
8	35%	Economic Performance & Potential	9	7.5%	0.00	GDP	US\$ Billions	80.0	84.5	393.9	2.2
			13	5.0%	-0.01	GDP per Capita	\$	6,540	8,246	29,772	1,338
			6	2.5%	0.02	Growth Structure	%	4.8	3.7	7.1	0.3
			6	7.5%	0.09	GDP Growth Forecast	%	6.3	4.4	7.8	1.3
			15	7.5%	-0.02	Population Size	Millions	28.16	38.09	218.54	0.12
			13	2.5%	0.01	Population Growth	%	2.5	2.3	4.9	0.0
			14	2.5%	0.01	Urbanisation	%	53	49	91	18
24	20%	Market Accessibility & Innovation	27	5.0%	-0.07	Economic Complexity	Index	-1.55	-0.81	0.39	-1.86
			18	5.0%	-0.01	Connectedness	Index	45.4	46.3	59.2	41.0
			14	5.0%	0.00	Innovation	Index	18.2	17.9	32.1	10.3
			23	5.0%	-0.01	Import Concentration	Index	0.13	0.12	0.06	0.28
15	25%	Economic Stability & Investment Climate	27	5.0%	-0.02	Forex Stability & Liquidity	Index	-0.5	0.0	0.9	-0.9
			15	5.0%	0.00	Economic Freedom	Index	6.0	6.0	7.8	3.8
			6	5.0%	0.01	Inflation	%	3.4	19.0	1.6	354.4
			10	5.0%	0.01	Corruption	Index	40.0	36.9	71.0	20.0
			17	5.0%	-0.02	Political Stability	Index	26.4	33.7	87.3	4.7
7	20%	Social & Human Development	22	5.0%	-0.03	Human Development	Index	0.5	0.6	0.8	0.5
			8	5.0%	0.03	Income Inequality	Index	37.2	43.0	27.6	63.0
			13	5.0%	0.02	Personal Freedom	Index	6.8	6.3	8.4	3.4
			4	5.0%	0.05	Unemployment	%	2.7	9.6	1.6	26.5
16	/31	0.05	TOTAL								

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BENIN

RANK
17
OVERALL SCORE
-0.02



In our model, it is connectivity where Benin stands out as an underperformer. It ranks 28 out of the 31 nations on this important component. This is based on it scoring more than one standard deviation below the sample's average.



I BENIN

Many studies of Benin's economy justifiably open with an overreliance on cotton production and petroleum. Indeed, the West African nation relies heavily on these two sectors for revenue and employment.

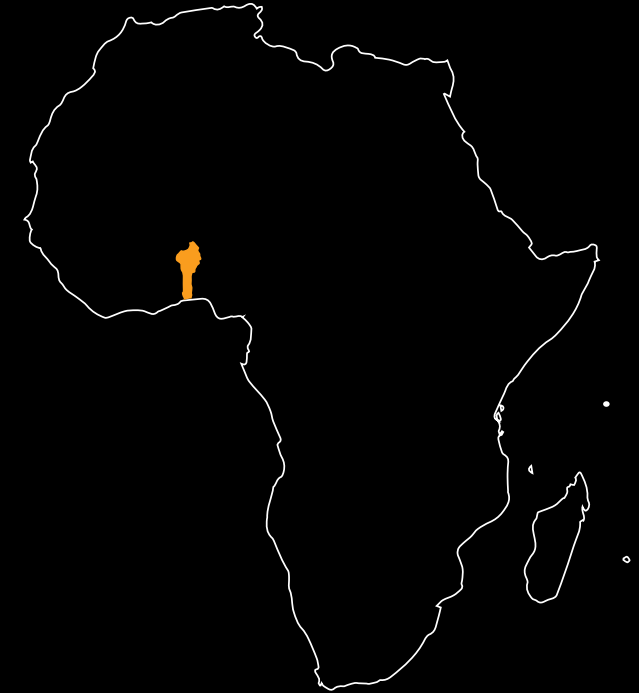
In our model, it is connectivity where Benin stands out as an underperformer. It ranks 28 out of the 31 nations on this important component. This is based on it scoring more than one standard deviation below the sample's average.

Our proxy for connectedness, the DHL Global Connectedness Index provides further insights. There, Benin ranks 163 out of 181 nations. Perhaps most striking is Benin's isolation from the world's economic powerhouse of the US. Its overall rank for connectedness with the US and its close allies, based on trade, capital information and people, is 170 out of 181.

An overreliance on its close neighbours is also apparent. Benin is heavily dependent on the fortunes of its far larger neighbour to the east, Nigeria.

Benin's digital connectedness is poor. Not much more than one-third of the country is using the internet.⁵⁶ Poor physical transport infrastructure is also a major drawback. At present, roads are mostly unpaved and become impassable in the rainy season. Political disagreements also hamper connectivity, especially so between Benin and Niger.

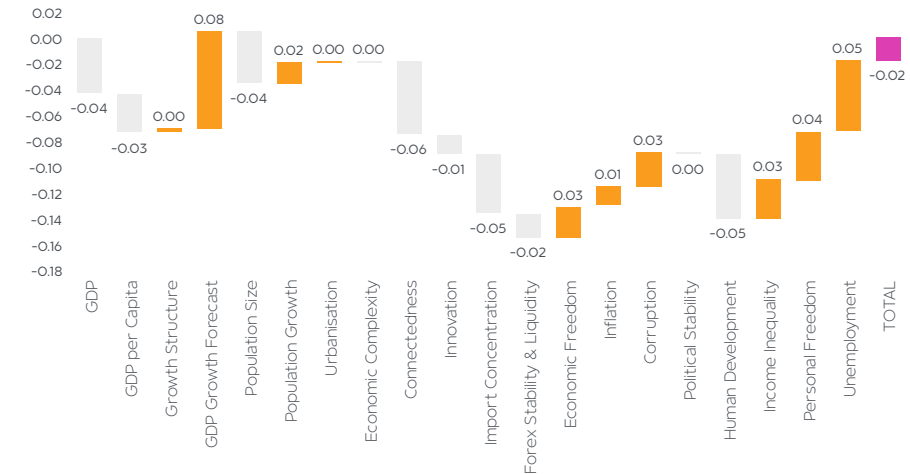
Foreign investors ought to monitor investment in improving transport corridors, including at the port of Cotonou and into landlocked neighbours, such as Niger and Burkina Faso, as indicators of an improved economic outlook.



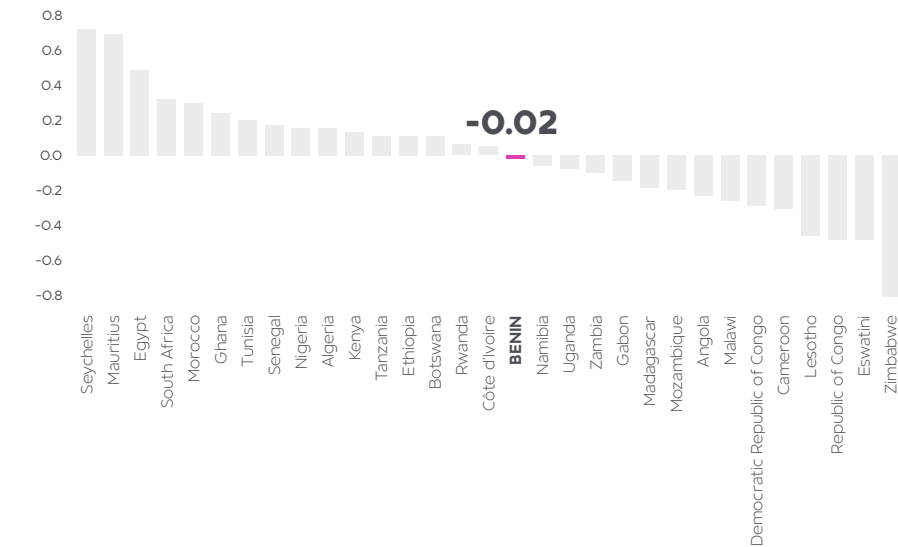
BENIN

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
17	35%	Economic Performance & Potential	22	7.5%	-0.04	GDP	US\$ Billions	19.4	84.5	393.9	2.2
			20	5.0%	-0.03	GDP per Capita	\$	4,057	8,246	29,772	1,338
			12	2.5%	0.00	Growth Structure	%	3.9	3.7	7.1	0.3
			8	7.5%	0.08	GDP Growth Forecast	%	6.0	4.4	7.8	1.3
			22	7.5%	-0.04	Population Size	Millions	13.35	38.09	218.54	0.12
			8	2.5%	0.02	Population Growth	%	2.9	2.3	4.9	0.0
			15	2.5%	0.00	Urbanisation	%	50	49	91	18
28	20%	Market Accessibility & Innovation	13	5.0%	0.00	Economic Complexity	Index	-0.81	-0.81	0.39	-1.86
			28	5.0%	-0.06	Connectedness	Index	41.7	46.3	59.2	41.0
			19	5.0%	-0.01	Innovation	Index	16.0	17.9	32.1	10.3
			27	5.0%	-0.05	Import Concentration	Index	0.16	0.12	0.06	0.28
10	25%	Economic Stability & Investment Climate	25	5.0%	-0.02	Forex Stability & Liquidity	Index	-0.4	0.0	0.9	-0.9
			10	5.0%	0.03	Economic Freedom	Index	6.4	6.0	7.8	3.8
			1	5.0%	0.01	Inflation	%	1.6	19.0	1.6	354.4
			6	5.0%	0.03	Corruption	Index	43.0	36.9	71.0	20.0
			16	5.0%	0.00	Political Stability	Index	33.0	33.7	87.3	4.7
6	20%	Social & Human Development	27	5.0%	-0.05	Human Development	Index	0.5	0.6	0.8	0.5
			9	5.0%	0.03	Income Inequality	Index	37.9	43.0	27.6	63.0
			9	5.0%	0.04	Personal Freedom	Index	7.2	6.3	8.4	3.4
			1	5.0%	0.05	Unemployment	%	1.6	9.6	1.6	26.5
17	/31	-0.02	TOTAL								

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NAMIBIA

RANK
18
OVERALL SCORE
-0.05



On income inequality, Namibia scores second lowest, behind South Africa. Its unemployment rate positions it 27th on the RMB Where to Invest in Africa model, this time four places above South Africa.

I NAMIBIA

Long interconnected deeply with South Africa's economy, Namibia retains several troubling difficulties also entrenched in its southern neighbour. Both nations are among the world's most extreme for inequality and unemployment.

On income inequality, Namibia scores second lowest, behind South Africa. Its unemployment rate positions it 27th on the *RMB Where to Invest in Africa* model, this time four places above South Africa. Both countries suffer from entrenched structures of haves and have-nots. To the investor, this may represent a low base with much to be gained if change is made.

Namibia has several strong foundations from which to address weaknesses. GDP per capita is sound at ninth

on the model. Political stability is robust. Investors can rely on a functioning democratic system. Personal freedom is extremely high and second in the model only to tiny Seychelles.

Namibia's most exciting prospect lies in offshore oil and gas discoveries. In fact, the country's Orange Basin "is emerging as one of the world's most promising prospective oil and gas regions"⁵⁷ and, as the Financial Times puts it, "could make it the world's newest petro-state."⁵⁸

Investors will be monitoring progress towards commercialisation of these discoveries, as well as the country's strategy to use this chance to build a powerful sovereign wealth fund.⁵⁹

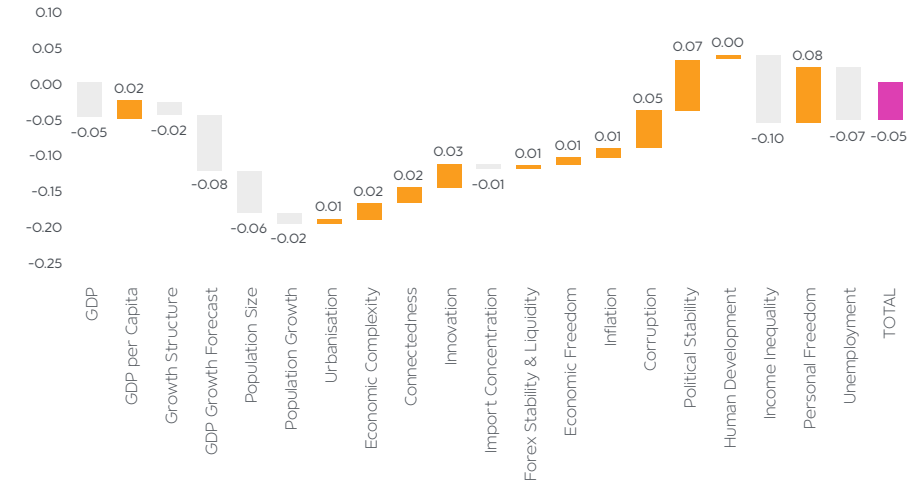


NAMIBIA

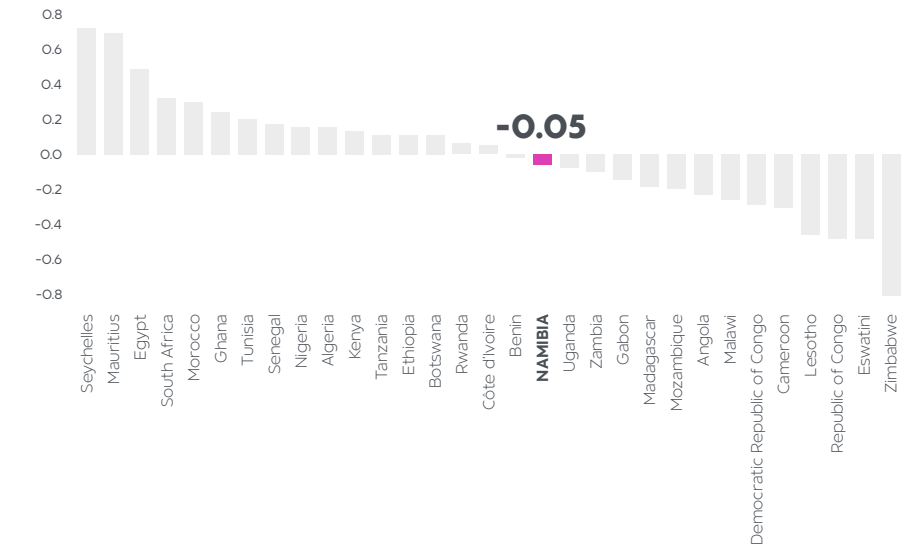


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
28	35%	Economic Performance & Potential	28	7.5%	-0.05	GDP	US\$ Billions	12.3	84.5	393.9	2.2
			9	5.0%	0.02	GDP per Capita	\$	11,531	8,246	29,772	1,338
			26	2.5%	-0.02	Growth Structure	%	2.8	3.7	7.1	0.3
			28	7.5%	-0.08	GDP Growth Forecast	%	2.6	4.4	7.8	1.3
			26	7.5%	-0.06	Population Size	Millions	2.57	38.09	218.54	0.12
			25	2.5%	-0.02	Population Growth	%	1.7	2.3	4.9	0.0
			12	2.5%	0.01	Urbanisation	%	54	49	91	18
7	20%	Market Accessibility & Innovation	9	5.0%	0.02	Economic Complexity	Index	-0.58	-0.81	0.39	-1.86
			8	5.0%	0.02	Connectedness	Index	48.1	46.3	59.2	41.0
			8	5.0%	0.03	Innovation	Index	21.8	17.9	32.1	10.3
			20	5.0%	-0.01	Import Concentration	Index	0.12	0.12	0.06	0.28
4	25%	Economic Stability & Investment Climate	11	5.0%	0.01	Forex Stability & Liquidity	Index	0.2	0.0	0.9	-0.9
			14	5.0%	0.01	Economic Freedom	Index	6.2	6.0	7.8	3.8
			12	5.0%	0.01	Inflation	%	4.3	19.0	1.6	354.4
			5	5.0%	0.05	Corruption	Index	49.0	36.9	71.0	20.0
			4	5.0%	0.07	Political Stability	Index	64.2	33.7	87.3	4.7
27	20%	Social & Human Development	10	5.0%	0.00	Human Development	Index	0.6	0.6	0.8	0.5
			30	5.0%	-0.10	Income Inequality	Index	59.1	43.0	27.6	63.0
			2	5.0%	0.08	Personal Freedom	Index	8.1	6.3	8.4	3.4
			27	5.0%	-0.07	Unemployment	%	20.6	9.6	1.6	26.5
18	/31	-0.05	TOTAL								

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UGANDA

RANK
19
OVERALL SCORE
-0.07



GDP growth structure places it third and the IMF growth forecast is fifth best. Significant drivers of this positivity include an oil-related construction boost, solid agricultural growth, raised private investment, gold exports (more than one third of the export basket) and a post-COVID-19 tourism recovery.

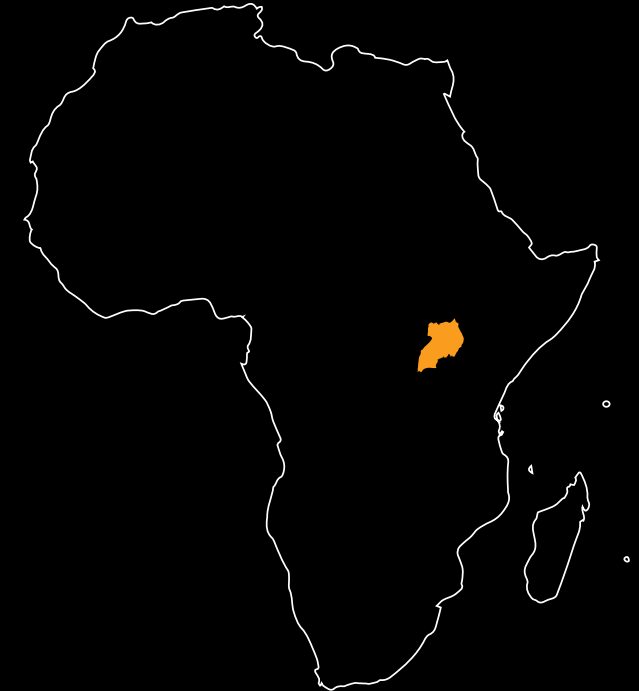


UGANDA

Uganda can point to some robust growth metrics. Already a large population, it is growing at the third highest rate among the 31 countries analysed. Its GDP growth structure places it third and the IMF growth forecast is fifth best. Significant drivers of this positivity include an oil-related construction boost, solid agricultural growth, raised private investment, gold exports (more than one third of the export basket) and a post-COVID-19 tourism recovery.⁶⁰

However, these positives are countered by some low scores that move Uganda to a final ranking of 19th. Its poorest positioning is 28th, for import concentration, leaving it vulnerable to shocks in the price of its main imports. Urbanisation is low (27th overall), with just a quarter of the country living in urban areas.

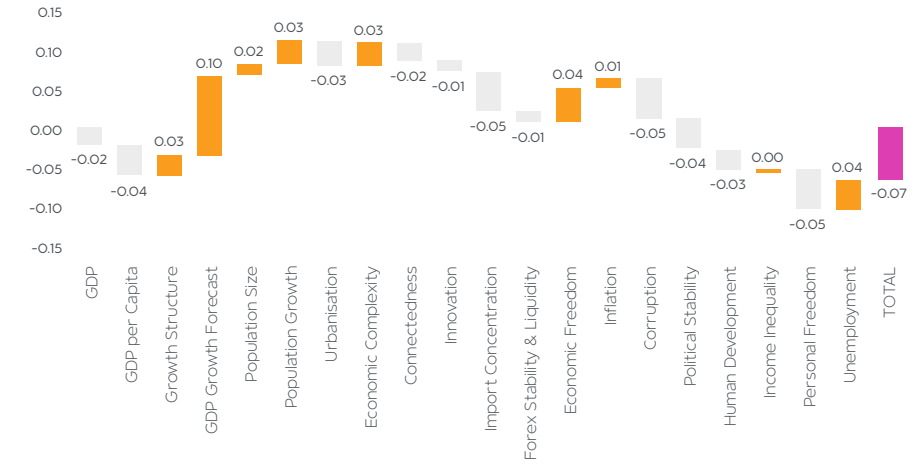
Corruption, lacking political stability, and lacking personal freedom are other negative scores that investors will monitor when making capital allocation decisions.



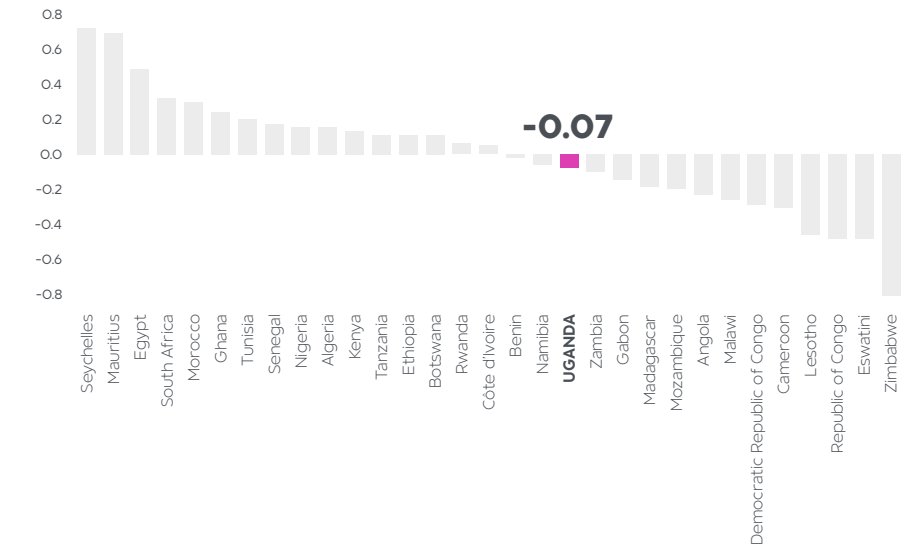
UGANDA

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
9	35%	Economic Performance & Potential	13	7.5%	-0.02	GDP	US\$ Billions	518	84.5	393.9	2.2
			25	5.0%	-0.04	GDP per Capita	\$	2,693	8,246	29,772	1,338
			3	2.5%	0.03	Growth Structure	%	5.1	3.7	7.1	0.3
			5	7.5%	0.10	GDP Growth Forecast	%	6.6	4.4	7.8	1.3
			8	7.5%	0.02	Population Size	Millions	47.25	38.09	218.54	0.12
			3	2.5%	0.03	Population Growth	%	3.3	2.3	4.9	0.0
			27	2.5%	-0.03	Urbanisation	%	26	49	91	18
19	20%	Market Accessibility & Innovation	8	5.0%	0.03	Economic Complexity	Index	-0.53	-0.81	0.39	-1.86
			20	5.0%	-0.02	Connectedness	Index	44.7	46.3	59.2	41.0
			19	5.0%	-0.01	Innovation	Index	16.0	17.9	32.1	10.3
			28	5.0%	-0.05	Import Concentration	Index	0.16	0.12	0.06	0.28
20	25%	Economic Stability & Investment Climate	23	5.0%	-0.01	Forex Stability & Liquidity	Index	-0.3	0.0	0.9	-0.9
			7	5.0%	0.04	Economic Freedom	Index	6.6	6.0	7.8	3.8
			8	5.0%	0.01	Inflation	%	3.9	19.0	1.6	354.4
			25	5.0%	-0.05	Corruption	Index	26.0	36.9	71.0	20.0
			23	5.0%	-0.04	Political Stability	Index	17.5	33.7	87.3	4.7
19	20%	Social & Human Development	18	5.0%	-0.03	Human Development	Index	0.6	0.6	0.8	0.5
			18	5.0%	0.00	Income Inequality	Index	42.7	43.0	27.6	63.0
			25	5.0%	-0.05	Personal Freedom	Index	5.1	6.3	8.4	3.4
			11	5.0%	0.04	Unemployment	%	4.0	9.6	1.6	26.5
19	/31	-0.07	TOTAL								

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ZAMBIA

RANK
20
OVERALL SCORE
-0.09



Two human indicators represent foundations on which to build investment attractiveness for Zambia.

Political stability is high, although under pressure with austerity and a rising cost of living.

ZAMBIA

Its long-held status as the heart of the copper belt remains vital to any analysis of Zambia's economy. Two thirds of all exports from the southern African nation involve the word 'copper' – unrefined copper; refined copper and copper alloys; copper ore and so on.⁶¹ That leaves a small economy exposed to the global resource market and its fluctuating prices.

Improved copper prices and output will be critical to efforts to reign in public debt and inflation of the kwacha.⁶²

Two human indicators represent foundations on which to build investment attractiveness for Zambia. Political stability is high, although under pressure with austerity and a rising cost of living.

Second, population growth is high. This suggests more people will be entering the workforce than are retiring. If Zambia is to reduce the country's high levels of poverty and inequality it must harness this demographic shift. Diversifying into more complex industries and products will help to provide employment and prosperity for the growing number of young Zambians.

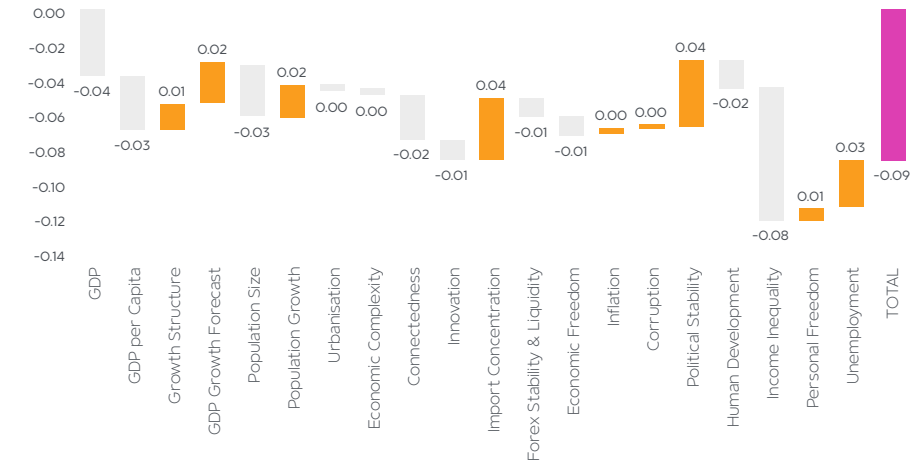


ZAMBIA

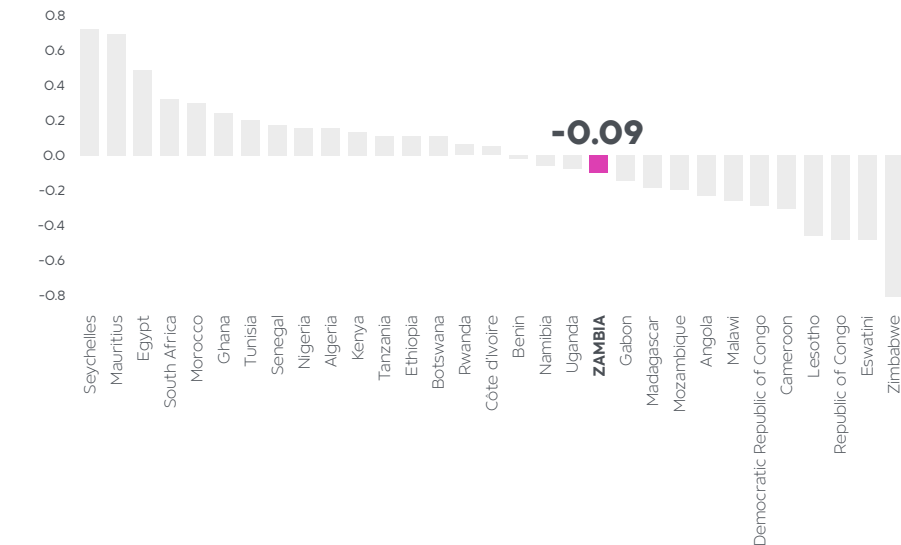


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
21	35%	Economic Performance & Potential	18	7.5%	-0.04	GDP	US\$ Billions	28.4	84.5	393.9	2.2
			21	5.0%	-0.03	GDP per Capita	\$	3,976	8,246	29,772	1,338
			8	2.5%	0.01	Growth Structure	%	4.5	3.7	7.1	0.3
			11	7.5%	0.02	GDP Growth Forecast	%	4.8	4.4	7.8	1.3
			18	7.5%	-0.03	Population Size	Millions	20.02	38.09	218.54	0.12
			6	2.5%	0.02	Population Growth	%	3.0	2.3	4.9	0.0
			18	2.5%	0.00	Urbanisation	%	46	49	91	18
12	20%	Market Accessibility & Innovation	19	5.0%	0.00	Economic Complexity	Index	-0.84	-0.81	0.39	-1.86
			21	5.0%	-0.02	Connectedness	Index	44.3	46.3	59.2	41.0
			17	5.0%	-0.01	Innovation	Index	16.4	17.9	32.1	10.3
			10	5.0%	0.04	Import Concentration	Index	0.09	0.12	0.06	0.28
13	25%	Economic Stability & Investment Climate	21	5.0%	-0.01	Forex Stability & Liquidity	Index	-0.2	0.0	0.9	-0.9
			21	5.0%	-0.01	Economic Freedom	Index	5.8	6.0	7.8	3.8
			25	5.0%	0.00	Inflation	%	13.8	19.0	1.6	354.4
			15	5.0%	0.00	Corruption	Index	37.0	36.9	71.0	20.0
			5	5.0%	0.04	Political Stability	Index	50.0	33.7	87.3	4.7
23	20%	Social & Human Development	17	5.0%	-0.02	Human Development	Index	0.6	0.6	0.8	0.5
			29	5.0%	-0.08	Income Inequality	Index	55.9	43.0	27.6	63.0
			15	5.0%	0.01	Personal Freedom	Index	6.5	6.3	8.4	3.4
			16	5.0%	0.03	Unemployment	%	5.8	9.6	1.6	26.5
			20	/31	-0.09	TOTAL					

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COUNTRY SNAPSHOT

GABON

RANK
21
OVERALL
SCORE
-0.14



Gabon has the honour of an important first place in the model. It is the most urbanised country out of the list of 31.

This is not only the highest urbanisation rate in our model, but the highest in Africa, with over 90% of Gabonese living in urban areas.

I GABON

Gabon has the honour of an important first place in the model. It is the most urbanised country out of the list of 31. This is not only the highest urbanisation rate in our model, but the highest in Africa,⁶³ with over 90% of Gabonese living in urban areas. The two main cities, Libreville and Port-Gentil, are home to the majority of this urban population.

An IMF analysis from early 2024 summarises a number of the nation's poor scores: "Gabon is facing significant challenges, including declining oil production, stagnating income per capita, high unemployment, weak governance, and a precarious fiscal situation."⁶⁴

Indeed, of the sample of 31 countries, this West African coastal nation comes in at position 27 for population

size (2.1 million people), 28 for economic complexity, 24 for innovation and 28 for employment.

Nonetheless, GDP per capita is perhaps surprisingly high, at fourth place on the rankings, with nearly US\$16,500 on a nominal basis at purchasing power parity.

Gabon relies heavily on exports of crude oil and petroleum products and manganese. This helps to account for its poor score on economic complexity. A presidential coup in 2023 raised major political concerns. However, tensions calmed mercifully quickly, and sanctions imposed by the Economic Community of Central African Nations (ECCAS) were lifted before the end of March 2024.

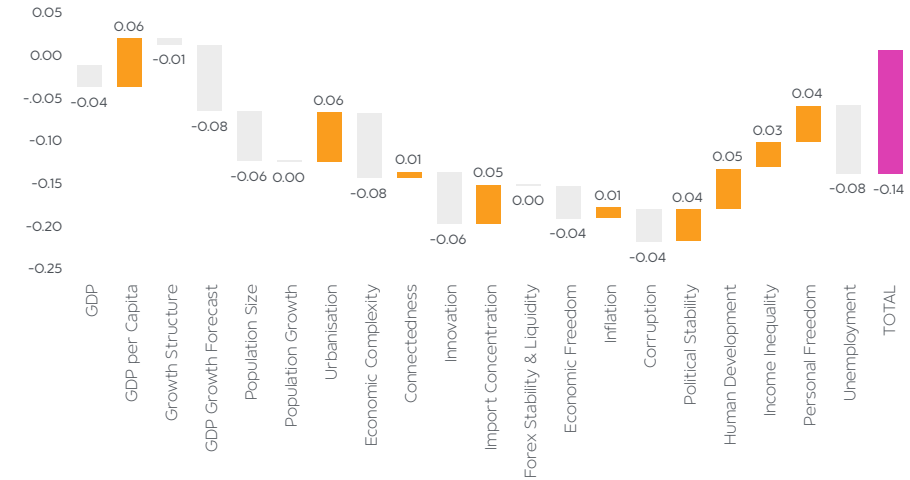


GABON

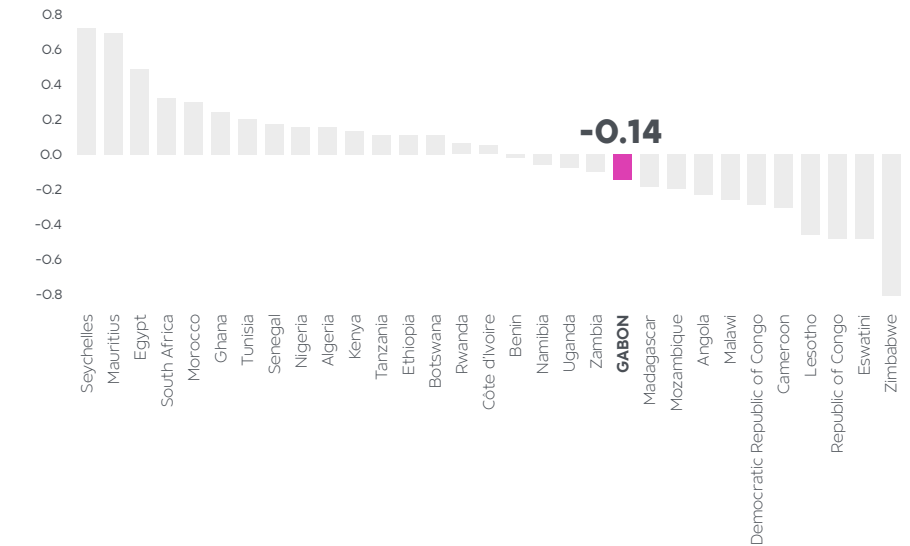


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
22	35%	Economic Performance & Potential	20	7.5%	-0.04	GDP	US\$ Billions	20.5	84.5	393.9	2.2
			4	5.0%	0.06	GDP per Capita	\$	16,465	8,246	29,772	1,338
			22	2.5%	-0.01	Growth Structure	%	3.3	3.7	7.1	0.3
			27	7.5%	-0.08	GDP Growth Forecast	%	2.7	4.4	7.8	1.3
			27	7.5%	-0.06	Population Size	Millions	2.39	38.09	218.54	0.12
			18	2.5%	0.00	Population Growth	%	2.2	2.3	4.9	0.0
			1	2.5%	0.06	Urbanisation	%	91	49	91	18
22	20%	Market Accessibility & Innovation	28	5.0%	-0.08	Economic Complexity	Index	-159	-0.81	0.39	-1.86
			10	5.0%	0.01	Connectedness	Index	46.9	46.3	59.2	41.0
			24	5.0%	-0.06	Innovation	Index	10.3	17.9	32.1	10.3
			5	5.0%	0.05	Import Concentration	Index	0.08	0.12	0.06	0.28
18	25%	Economic Stability & Investment Climate	17	5.0%	0.00	Forex Stability & Liquidity	Index	0.0	0.0	0.9	-0.9
			25	5.0%	-0.04	Economic Freedom	Index	5.4	6.0	7.8	3.8
			3	5.0%	0.01	Inflation	%	2.5	19.0	1.6	354.4
			23	5.0%	-0.04	Corruption	Index	28.0	36.9	71.0	20.0
			6	5.0%	0.04	Political Stability	Index	49.5	33.7	87.3	4.7
11	20%	Social & Human Development	9	5.0%	0.05	Human Development	Index	0.7	0.6	0.8	0.5
			10	5.0%	0.03	Income Inequality	Index	38.0	43.0	27.6	63.0
			7	5.0%	0.04	Personal Freedom	Index	7.3	6.3	8.4	3.4
			28	2.5%	-0.08	Unemployment	%	21.3	9.6	1.6	26.5
			21	/31	-0.14	TOTAL					

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MADAGASCAR



Two data points on opposite economic poles are striking in Madagascar's performance on our model.

Unemployment is the second lowest among the 31 nations studied.

RANK

22

OVERALL SCORE

-0.18



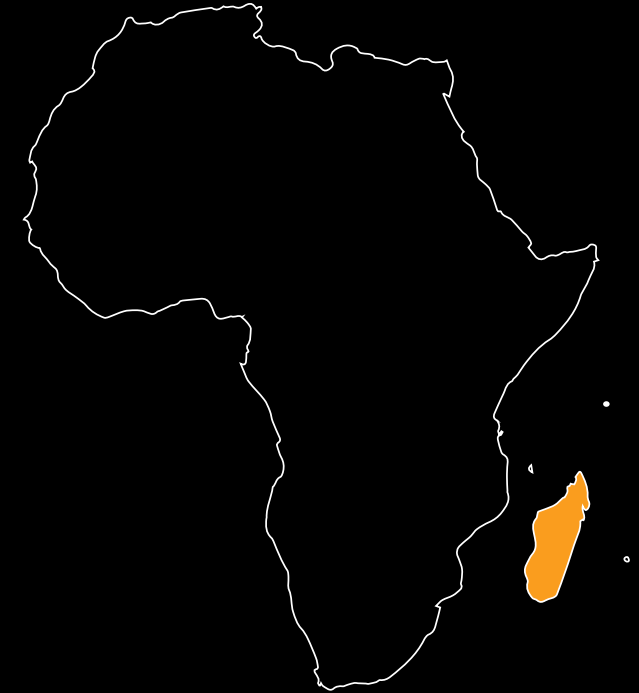
I MADAGASCAR

Two data points on opposite economic poles are striking in Madagascar's performance on our model. Unemployment is the second lowest among the 31 nations studied. Unfortunately, that figure needs to be read in light of a GDP per capita score that is fourth worst in this analysis.

On its list of 133 nations, the Harvard Growth Lab ranks Madagascar's income per capita in position 132. The result is just one factor behind the country's Human Development Index ranking it 177 out of 193 countries.

While Madagascar's export basket exhibits slightly more economic complexity than one might expect for its income level, this metric has been falling. It is now less complex than it was a decade ago.

Among the bottom six in the model for levels of corruption, this marker will need to improve to attract investment. The island nation ranks 145 out of 180 nations in the 2023 Transparency International's Corruption Perceptions Index, having fallen one place since 2022.



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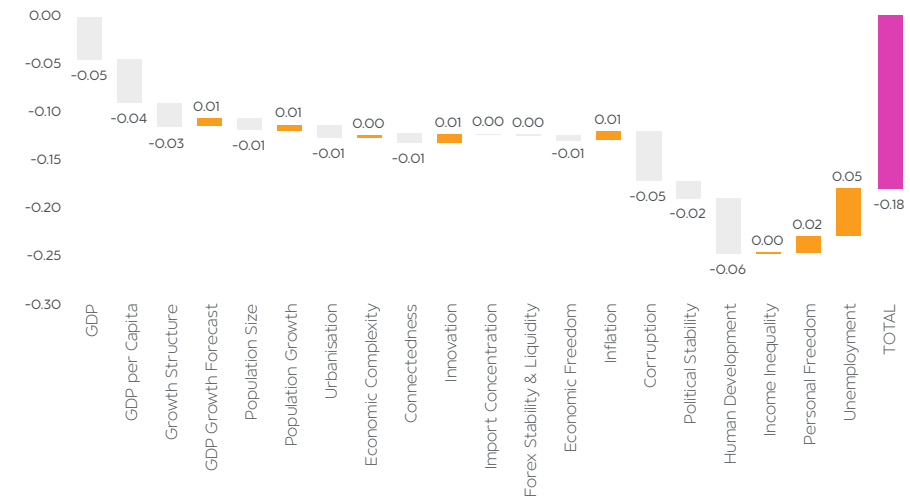
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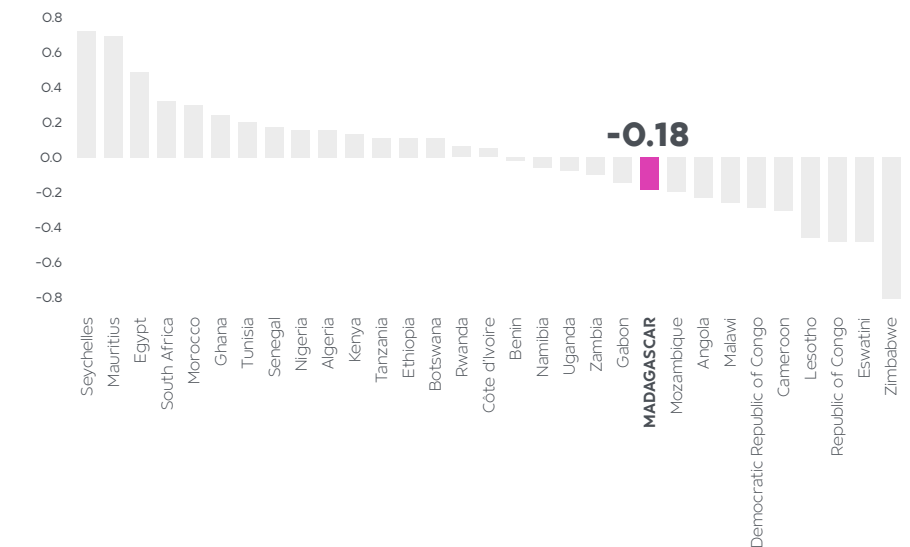
MADAGASCAR

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
24	35%	Economic Performance & Potential	23	7.5%	-0.05	GDP	US\$ Billions	15.8	84.5	393.9	2.2
			28	5.0%	-0.04	GDP per Capita	\$	1,775	8,246	29,772	1,338
			28	2.5%	-0.03	Growth Structure	%	2.4	3.7	7.1	0.3
			12	7.5%	0.01	GDP Growth Forecast	%	4.6	4.4	7.8	1.3
			14	7.5%	-0.01	Population Size	Millions	29.61	38.09	218.54	0.12
			14	2.5%	0.01	Population Growth	%	2.5	2.3	4.9	0.0
			21	2.5%	-0.01	Urbanisation	%	40	49	91	18
11	20%	Market Accessibility & Innovation	12	5.0%	0.00	Economic Complexity	Index	-0.77	-0.81	0.39	-1.86
			19	5.0%	-0.01	Connectedness	Index	45.3	46.3	59.2	41.0
			12	5.0%	0.01	Innovation	Index	19.1	17.9	32.1	10.3
			18	5.0%	0.00	Import Concentration	Index	0.12	0.12	0.06	0.28
			16	5.0%	0.00	Forex Stability & Liquidity	Index	0.0	0.0	0.9	-0.9
22	25%	Economic Stability & Investment Climate	19	5.0%	-0.01	Economic Freedom	Index	5.9	6.0	7.8	3.8
			20	5.0%	0.01	Inflation	%	6.7	19.0	1.6	354.4
			26	5.0%	-0.05	Corruption	Index	25.0	36.9	71.0	20.0
			18	5.0%	-0.02	Political Stability	Index	25.9	33.7	87.3	4.7
			29	5.0%	-0.06	Human Development	Index	0.5	0.6	0.8	0.5
14	20%	Social & Human Development	17	5.0%	0.00	Income Inequality	Index	42.6	43.0	27.6	63.0
			14	5.0%	0.02	Personal Freedom	Index	6.7	6.3	8.4	3.4
			2	5.0%	0.05	Unemployment	%	2.1	9.6	1.6	26.5
			22	/31	-0.18	TOTAL					

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MOZAMBIQUE



The people of Mozambique suffer the poor development results that this low GDP suggests. In fact, Mozambique achieves the lowest human development score on the model.

RANK

23

OVERALL SCORE

-0.19



I MOZAMBIQUE

The discovery of offshore gas in the context of a gradually diminishing insurgency is a microcosm of the puzzle that is Mozambique. Great difficulty exists alongside vast potential. Chief among the opportunities is the sizeable energy discovery.

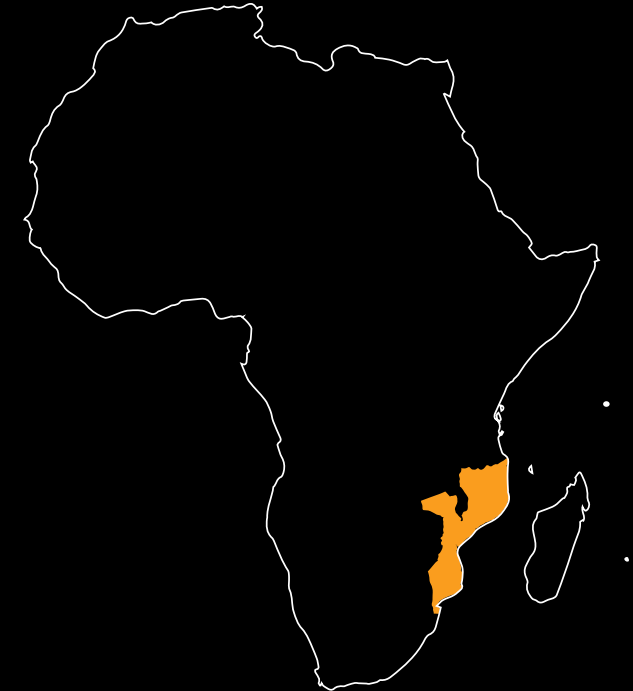
“Over the coming decade, Mozambique is expected to become a major liquified natural gas (LNG) exporter due to the discovery of over 180 trillion cubic feet (TCF) of natural gas reserves in the Rovuma basin in the north of the country. These discoveries are spread over two concessions, one led by TotalEnergies and the other jointly led by Eni and ExxonMobil.”⁶⁵

Businesses that are willing and able to endure the challenges faced by the SADC nation may position themselves, for example, to benefit from an IMF forecast

of 7.8% economic growth. This is the highest among the 31 countries ranked in our model. A further positive is the growth structure metric – placing Mozambique in an enviable seventh position on our model.

That potential upside comes with monumental challenges. To start with, this is a poor country. Only the Democratic Republic of the Congo has a lower model score for GDP per capita, and that is based on a marginal difference. The people of Mozambique suffer the poor development results that this low GDP suggests. In fact, Mozambique achieves the lowest human development score on the model.

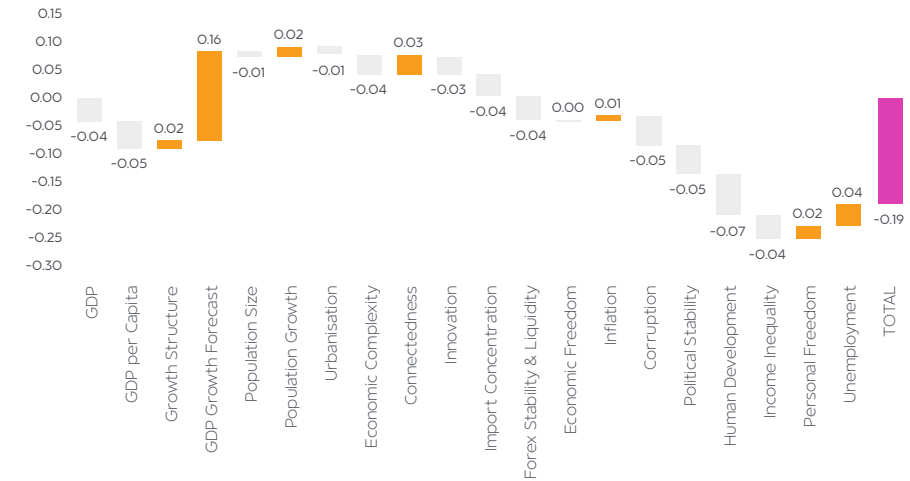
Forex stability and liquidity is another negative outlier. In 30th place, Mozambique’s metical is a difficult currency for investors to do business with.



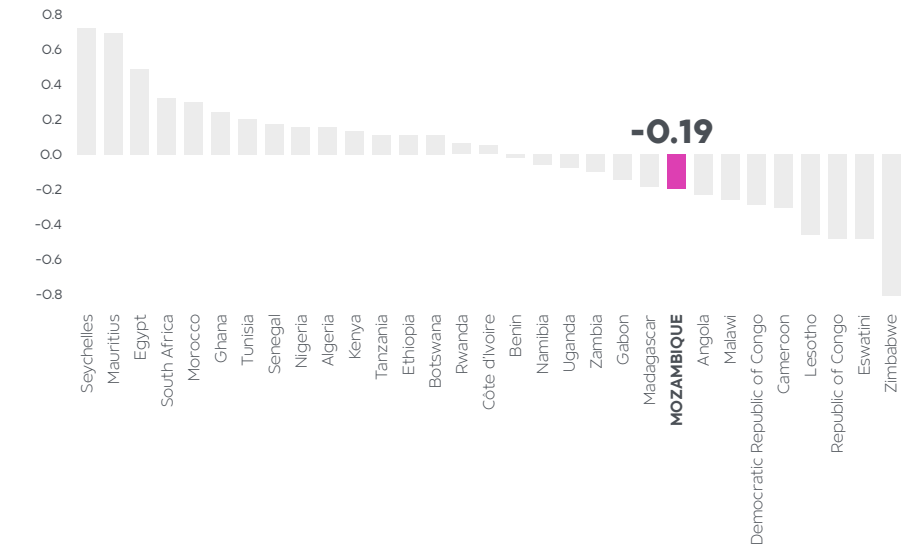
MOZAMBIQUE

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
10	35%	Economic Performance & Potential	19	7.5%	-0.04	GDP	US\$ Billions	21.4	84.5	393.9	2.2
			30	5.0%	-0.05	GDP per Capita	\$	1,477	8,246	29,772	1,338
			7	2.5%	0.02	Growth Structure	%	4.6	3.7	7.1	0.3
			1	7.5%	0.16	GDP Growth Forecast	%	7.8	4.4	7.8	1.3
			13	7.5%	-0.01	Population Size	Millions	32.97	38.09	218.54	0.12
			7	2.5%	0.02	Population Growth	%	2.9	2.3	4.9	0.0
			22	2.5%	-0.01	Urbanisation	%	38	49	91	18
21	20%	Market Accessibility & Innovation	25	5.0%	-0.04	Economic Complexity	Index	-117	-0.81	0.39	-1.86
			7	5.0%	0.03	Connectedness	Index	49.0	46.3	59.2	41.0
			23	5.0%	-0.03	Innovation	Index	13.6	17.9	32.1	10.3
			26	5.0%	-0.04	Import Concentration	Index	0.15	0.12	0.06	0.28
29	25%	Economic Stability & Investment Climate	30	5.0%	-0.04	Forex Stability & Liquidity	Index	-0.9	0.0	0.9	-0.9
			16	5.0%	0.00	Economic Freedom	Index	6.0	6.0	7.8	3.8
			15	5.0%	0.01	Inflation	%	5.5	19.0	1.6	354.4
			26	5.0%	-0.05	Corruption	Index	25.0	36.9	71.0	20.0
			27	5.0%	-0.05	Political Stability	Index	11.3	33.7	87.3	4.7
21	20%	Social & Human Development	31	5.0%	-0.07	Human Development	Index	0.5	0.6	0.8	0.5
			25	5.0%	-0.04	Income Inequality	Index	50.5	43.0	27.6	63.0
			12	5.0%	0.02	Personal Freedom	Index	6.9	6.3	8.4	3.4
			9	5.0%	0.04	Unemployment	%	3.7	9.6	1.6	26.5
23	/31	-0.19	TOTAL								

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ANGOLA

RANK
24
OVERALL SCORE
-0.23



Ranked 24 out of 31 nations in the model, Angola faces substantial macroeconomic headwinds. In the ranking of countries based on the size of their economies, this country is among the top eight.

I ANGOLA

The mineral and oil rich Lusophone nation suffered for decades with a post-colonial civil war which began in 1975 upon independence from Portugal. This conflict only came to a halt in 2002, albeit with interludes of peace and a government of national unity in 1997. Angola's reliance on oil extraction and export has defined many of its political and economic woes. These include vulnerability to external oil price shocks, currency instability and wealth inequality that is typical of the so called 'resource curse'.

Ranked 24 out of 31 nations in the model, Angola faces substantial macroeconomic headwinds. In the ranking of countries based on the size of their economies, this country is among the top eight. However, its economic growth structure ranks it third last and the IMF's medium-term growth forecast puts it in 23rd place.

Innovation scores poorly, suggesting a challenge ahead if Angola is to diversify away from extractive industries. A low economic freedom score will need to be improved in order to enable such a development.

Positive platforms for Angola to build on include a substantial and highly urbanised population that is growing – the second fastest according to our analysis.

Angola enjoyed great leaps in prosperity from a low base in the early 2000s. Between 2001 and 2010, annual economic growth averaged 8.9%. However, that contrasts with current trends and forecasts. The IMF forecasts an average annual growth rate of under 3% for the period 2024 to 2028. That will fail to improve living standards in light of a five-year average population growth rate to 2022 of 3.3%.

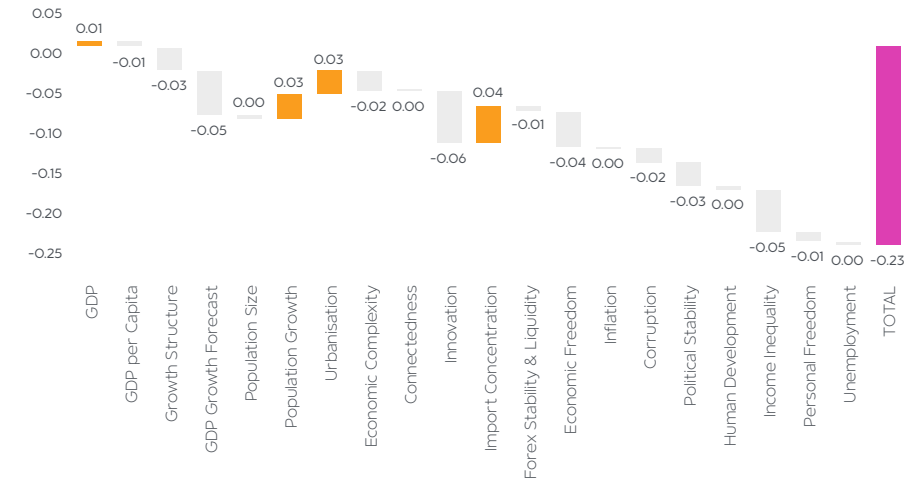
Angola's low innovation score is reflective of an economy that has failed to diversify from a single industry – petroleum. Markers of success in such diversification will be key for investors to follow. An abundance of arable land is just one potential avenue to achieve some level of success.⁶⁶



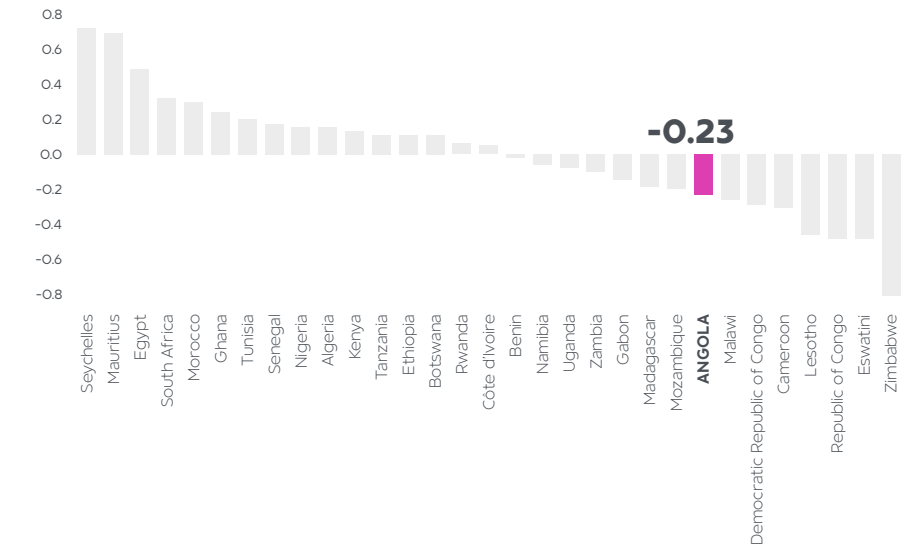
ANGOLA

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
19	35%	Economic Performance & Potential	8	7.5%	0.01	GDP	US\$ Billions	94.4	84.5	393.9	2.2
			12	5.0%	-0.01	GDP per Capita	\$	6,976	8,246	29,772	1,338
			29	2.5%	-0.03	Growth Structure	%	2.4	3.7	7.1	0.3
			23	7.5%	-0.05	GDP Growth Forecast	%	3.2	4.4	7.8	1.3
			11	7.5%	0.00	Population Size	Millions	35.59	38.09	218.54	0.12
			2	2.5%	0.03	Population Growth	%	3.3	2.3	4.9	0.0
			7	2.5%	0.03	Urbanisation	%	68	49	91	18
17	20%	Market Accessibility & Innovation	24	5.0%	-0.02	Economic Complexity	Index	-1.04	-0.81	0.39	-1.86
			13	5.0%	0.00	Connectedness	Index	46.2	46.3	59.2	41.0
			24	5.0%	-0.06	Innovation	Index	10.3	17.9	32.1	10.3
			6	5.0%	0.04	Import Concentration	Index	0.08	0.12	0.06	0.28
25	25%	Economic Stability & Investment Climate	18	5.0%	-0.01	Forex Stability & Liquidity	Index	-0.1	0.0	0.9	-0.9
			26	5.0%	-0.04	Economic Freedom	Index	5.4	6.0	7.8	3.8
			29	5.0%	0.00	Inflation	%	20.0	19.0	1.6	354.4
			20	5.0%	-0.02	Corruption	Index	33.0	36.9	71.0	20.0
			20	5.0%	-0.03	Political Stability	Index	22.6	33.7	87.3	4.7
24	20%	Social & Human Development	15	5.0%	0.00	Human Development	Index	0.6	0.6	0.8	0.5
			26	5.0%	-0.05	Income Inequality	Index	51.3	43.0	27.6	63.0
			19	5.0%	-0.01	Personal Freedom	Index	6.0	6.3	8.4	3.4
			20	5.0%	0.00	Unemployment	%	10.0	9.6	1.6	26.5
24	/31	-0.23	TOTAL								

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MALAWI

RANK
25
OVERALL SCORE
-0.26



The *RMB Where to Invest in Africa* model highlights Malawi's economic difficulties that result from being largely rural and poorly connected. Both urbanisation and connectedness scores are the second lowest.



I MALAWI

The RMB *Where to Invest in Africa* model highlights Malawi's economic difficulties that result from being largely rural and poorly connected. Both urbanisation and connectedness scores are the second lowest. While physical connectivity – roads, rail and the like – may be slow to accrue, this may indicate that large gains can be made from a low base by emphasising digital connectedness.

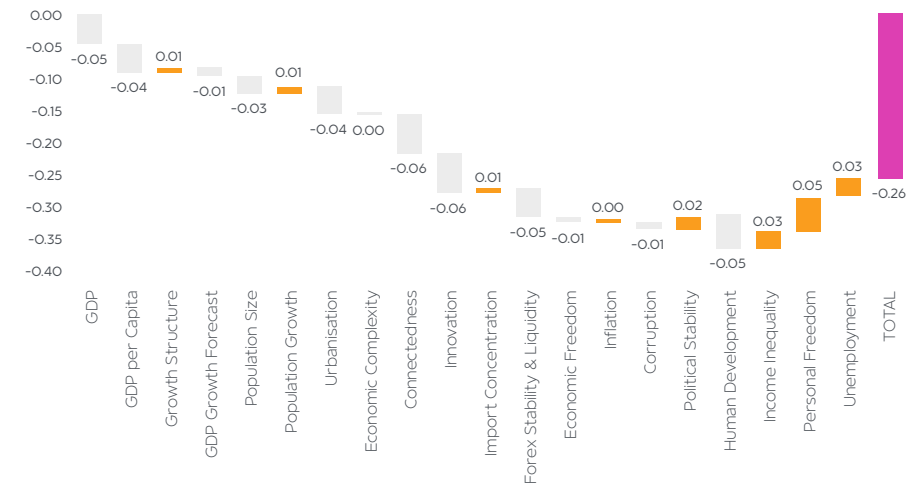
However, as concerning is that Malawi ranks 31 out of 31 countries for forex stability and liquidity. This reflects a heavy reliance on agrarian commodities for export, high government debt as a proportion of GDP, low import cover, weak scoring on the Financial Development Index and, most of all, the lowest score for basic balance – that is, a very low current account balance and low foreign direct investment (both calculated as a percentage of GDP).



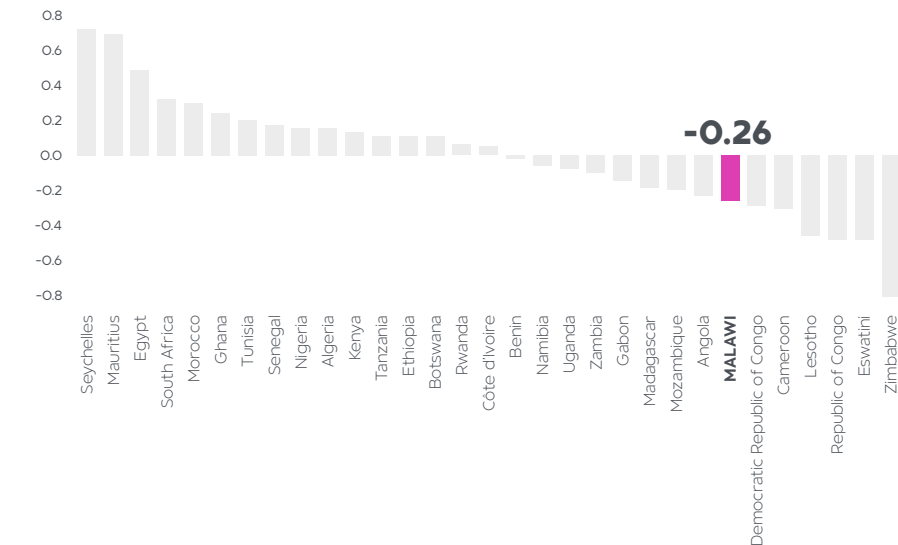
MALAWI

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
25	35%	Economic Performance & Potential	27	7.5%	-0.05	GDP	US\$ Billions	13.1	84.5	393.9	2.2
			29	5.0%	-0.05	GDP per Capita	\$	1,733	8,246	29,772	1,338
			10	2.5%	0.01	Growth Structure	%	4.2	3.7	7.1	0.3
			16	7.5%	-0.01	GDP Growth Forecast	%	4.1	4.4	7.8	1.3
			17	7.5%	-0.03	Population Size	Millions	20.41	38.09	218.54	0.12
			11	2.5%	0.01	Population Growth	%	2.7	2.3	4.9	0.0
			30	2.5%	-0.04	Urbanisation	%	18	49	91	18
27	20%	Market Accessibility & Innovation	13	5.0%	0.00	Economic Complexity	Index	-0.81	-0.81	0.39	-1.86
			30	5.0%	-0.06	Connectedness	Index	41.3	46.3	59.2	41.0
			24	5.0%	-0.06	Innovation	Index	10.3	17.9	32.1	10.3
			15	5.0%	0.01	Import Concentration	Index	0.11	0.12	0.06	0.28
19	25%	Economic Stability & Investment Climate	31	5.0%	-0.05	Forex Stability & Liquidity	Index	-0.9	0.0	0.9	-0.9
			20	5.0%	-0.01	Economic Freedom	Index	5.9	6.0	7.8	3.8
			26	5.0%	0.00	Inflation	%	15.7	19.0	1.6	354.4
			19	5.0%	-0.01	Corruption	Index	34.0	36.9	71.0	20.0
			11	5.0%	0.02	Political Stability	Index	41.5	33.7	87.3	4.7
8	20%	Social & Human Development	26	5.0%	-0.05	Human Development	Index	0.5	0.6	0.8	0.5
			12	5.0%	0.03	Income Inequality	Index	38.5	43.0	27.6	63.0
			5	5.0%	0.05	Personal Freedom	Index	7.5	6.3	8.4	3.4
			14	5.0%	0.03	Unemployment	%	5.4	9.6	1.6	26.5
25	/31	-0.26	TOTAL								

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DEMOCRATIC REPUBLIC OF CONGO



The DRC is severely held back by a lack of economic complexity. In fact, it ranks one position below Cameroon for economic complexity, making it the least complex economy in this analysis.

RANK
26
OVERALL SCORE
-0.28

I DEMOCRATIC REPUBLIC OF CONGO

The geographically vast DRC covers a large swathe of central Africa. The intimidating land mass is just one of the factors that make the country a difficult place in which to do business.

Like nearby Cameroon, the DRC is severely held back by a lack of economic complexity. In fact, it ranks one position below Cameroon for economic complexity, making it the least complex economy in this analysis. The Harvard Growth Lab scores the DRC 131 out of 133 countries for complexity.

Well over half of the DRC's export basket is made up of some form of copper – ranging from refined copper and copper alloys to unrefined copper and copper ore. To its credit, growth in metal exports has not been merely an upshot of market conditions in recent years, but rather it was driven by growth in market share.⁶⁷

Regardless, low value-add and low-complexity mineral exports will not drive prosperity sustainably.

Currently, the DRC is failing to perform on innovation. Corruption is high and political stability is weak. Despite these major headwinds, the DRC managed to achieve a growth structure and IMF growth forecast of just above 3.5%. Roaring global demand for the DRC's rich mineral deposits goes a great distance to offsetting structural problems, but this does not contribute enough to create prosperity.

The DRC ranks 30 out of 31 for human development and comes in last place for GDP per capita. The average salary of just US\$1,338 per person, measured at purchasing power parity, makes this an extraordinarily poor country.



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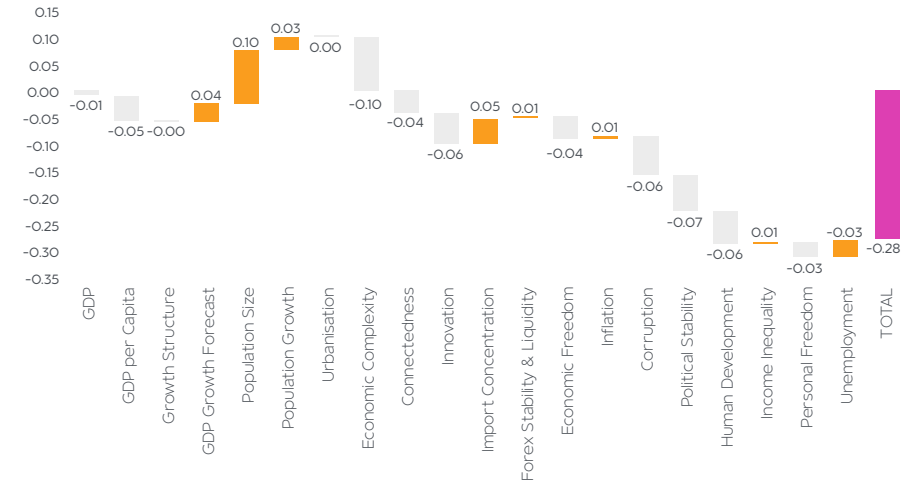
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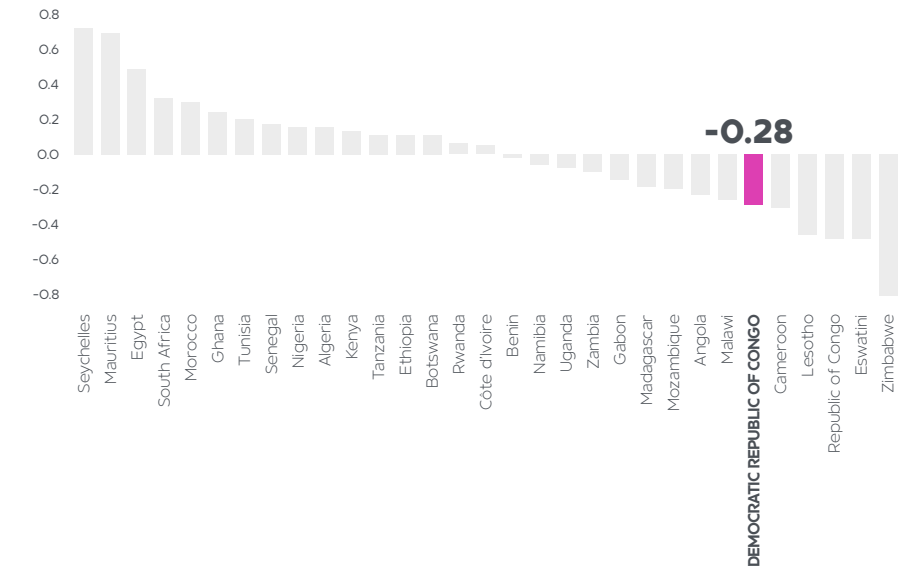
DEMOCRATIC REPUBLIC OF CONGO

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
27	35%	Economic Performance & Potential	12	7.5%	-0.01	GDP	US\$ Billions	67.3	84.5	393.9	2.2
			31	5.0%	-0.05	GDP per Capita	\$	1,338	8,246	29,772	1,338
			17	2.5%	0.00	Growth Structure	%	3.6	3.7	7.1	0.3
			10	7.5%	0.04	GDP Growth Forecast	%	5.1	4.4	7.8	1.3
			4	7.5%	0.10	Population Size	Millions	99.01	38.09	218.54	0.12
			4	2.5%	0.03	Population Growth	%	3.3	2.3	4.9	0.0
			17	2.5%	0.00	Urbanisation	%	47	49	91	18
18	20%	Market Accessibility & Innovation	31	5.0%	-0.10	Economic Complexity	Index	-1.86	-0.81	0.39	-1.86
			25	5.0%	-0.04	Connectedness	Index	43.0	46.3	59.2	41.0
			24	5.0%	-0.06	Innovation	Index	10.3	17.9	32.1	10.3
			4	5.0%	0.05	Import Concentration	Index	0.07	0.12	0.06	0.28
26	25%	Economic Stability & Investment Climate	13	5.0%	0.01	Forex Stability & Liquidity	Index	0.1	0.0	0.9	-0.9
			27	5.0%	-0.04	Economic Freedom	Index	5.3	6.0	7.8	3.8
			23	5.0%	0.01	Inflation	%	10.8	19.0	1.6	354.4
			31	5.0%	-0.08	Corruption	Index	20.0	36.9	71.0	20.0
			30	5.0%	-0.07	Political Stability	Index	6.1	33.7	87.3	4.7
30	20%	Social & Human Development	30	5.0%	-0.06	Human Development	Index	0.5	0.6	0.8	0.5
			16	5.0%	0.01	Income Inequality	Index	42.1	43.0	27.6	63.0
			22	5.0%	-0.03	Personal Freedom	Index	5.6	6.3	8.4	3.4
			12	5.0%	0.03	Unemployment	%	4.8	9.6	1.6	26.5
26	/31	-0.28	TOTAL								

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CAMEROON



Ranked 27 out of 31, Cameroon's economy exhibits few shining lights. Its profile is one of middling scores and a number of very poor ones.

RANK
27

OVERALL SCORE
-0.30



I CAMEROON

Ranked 27 out of 31, Cameroon's economy exhibits few shining lights. Its profile is one of middling scores and a number of very poor ones.

Starting with the Central-West African nation's most troubling score, Cameroon's degree of economic complexity is extraordinarily low. On the Harvard Growth Lab's Economic Complexity Indicator, it is 129 out of 133 countries and it is worsening. Cameroon's economy has become less complex, falling 43 places in the last decade. The *RMB Where to Invest in Africa* model places Cameroon second last for economic complexity.

The low-complexity score is in part a result of Cameroon's reliance on minerals and agriculture. The export basket is dominated by oil and gas, cocoa beans and cocoa products, timber, gold and also low value-add materials. Worse, the existing oilfields are maturing.⁶⁸

Expanding into producing more complex, higher value-add products faces many barriers in the country. Political stability is low and corruption is high. President

Paul Biya, now in his early 90s, won a seventh term in 2018 in a widely criticised poll.

Insurgencies in the Anglophone country's far north show limited signs of abating soon. Jockeying for power ahead of elections set for 2025 will not alleviate these political tensions.⁶⁹

Corruption is rampant. Transparency International ranks Cameroon 140th out of 180 nations in its Corruption Perceptions Index. This ties in with low personal freedom scores – placing 27 out of 31 in our model. Freedom House's most recent Freedom in the World report rates Cameroon "not free", with an overall score of 15 out of 100 and zero for media freedom.⁷⁰

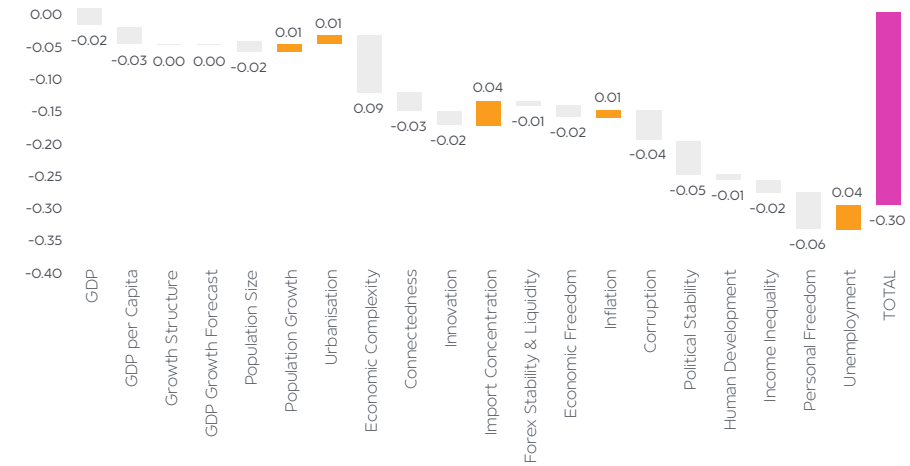
On both, the measure of growth structure and the IMF growth forecast, Cameroon's economy is set to grow at almost exactly the average rate for the 31 countries analysed. The country achieves similarly middling scores on GDP and population size. The Africa-focused investor would need a strong reason to favour Cameroon as a destination into which to invest capital.



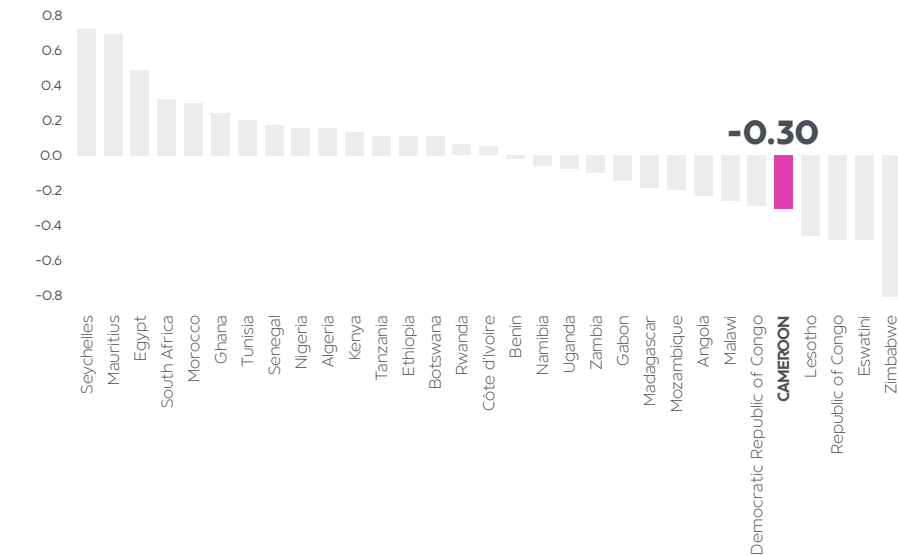
CAMEROON

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
20	35%	Economic Performance & Potential	15	7.5%	-0.02	GDP	US\$ Billions	49.0	84.5	393.9	2.2
			17	5.0%	-0.03	GDP per Capita	\$	4,398	8,246	29,772	1,338
			14	2.5%	0.00	Growth Structure	%	3.7	3.7	7.1	0.3
			14	7.5%	0.00	GDP Growth Forecast	%	4.5	4.4	7.8	1.3
			16	7.5%	-0.02	Population Size	Millions	27.91	38.09	218.54	0.12
			9	2.5%	0.01	Population Growth	%	2.7	2.3	4.9	0.0
			9	2.5%	0.01	Urbanisation	%	59	49	91	18
25	20%	Market Accessibility & Innovation	30	5.0%	-0.09	Economic Complexity	Index	-1.71	-0.81	0.39	-1.86
			22	5.0%	-0.03	Connectedness	Index	43.8	46.3	59.2	41.0
			21	5.0%	-0.02	Innovation	Index	15.3	17.9	32.1	10.3
			9	5.0%	0.04	Import Concentration	Index	0.08	0.12	0.06	0.28
27	25%	Economic Stability & Investment Climate	19	5.0%	-0.01	Forex Stability & Liquidity	Index	-0.1	0.0	0.9	-0.9
			22	5.0%	-0.02	Economic Freedom	Index	5.7	6.0	7.8	3.8
			10	5.0%	0.01	Inflation	%	4.1	19.0	16	354.4
			24	5.0%	-0.04	Corruption	Index	27.0	36.9	71.0	20.0
			28	5.0%	-0.05	Political Stability	Index	10.8	33.7	87.3	4.7
20	20%	Social & Human Development	16	5.0%	-0.01	Human Development	Index	0.6	0.6	0.8	0.5
			22	5.0%	-0.02	Income Inequality	Index	46.6	43.0	27.6	63.0
			27	5.0%	-0.06	Personal Freedom	Index	5.0	6.3	8.4	3.4
			10	5.0%	0.04	Unemployment	%	3.9	9.6	16	26.5
27	/31	-0.30	TOTAL								

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LESOTHO



At position 28 in the model rankings, diminutive, landlocked Lesotho is a difficult investment case. A nominal GDP of just US\$2bn leaves little scope for large investors to deploy capital.

RANK
28

OVERALL SCORE
-0.46

I LESOTHO

At position 28 in the model rankings, diminutive, landlocked Lesotho is a difficult investment case. A nominal GDP of just US\$2bn leaves little scope for large investors to deploy capital. A population of just over 2.3 million people, with an average real income per person of US\$2,646, means a similarly limited consumer market.

Geographically surrounded by South Africa, and with beautiful but hard-to-navigate mountains, Lesotho's connectedness score is the lowest in the model. It remains highly dependent on much larger South Africa, which itself is faced by a period of economic stagnation.

Investors will require major reforms before the tide turns for Lesotho. With a fiscal deficit of 4.3%, against

public debt of 60.6% of GDP, and 72% of public debt from external sources, debt sustainability will rapidly become fragile if economic growth does not improve.

Opportunities are to be had in expanded diamond production and by further leveraging access to US markets under the African Growth and Opportunity Act (AGOA) - specifically to export garments to the American market.⁷¹

These markets will benefit from diversification. Currently, textiles and diamonds make up more than 80% of exports. Some 85% of exports go to three countries: Belgium, South Africa and the US.⁷²

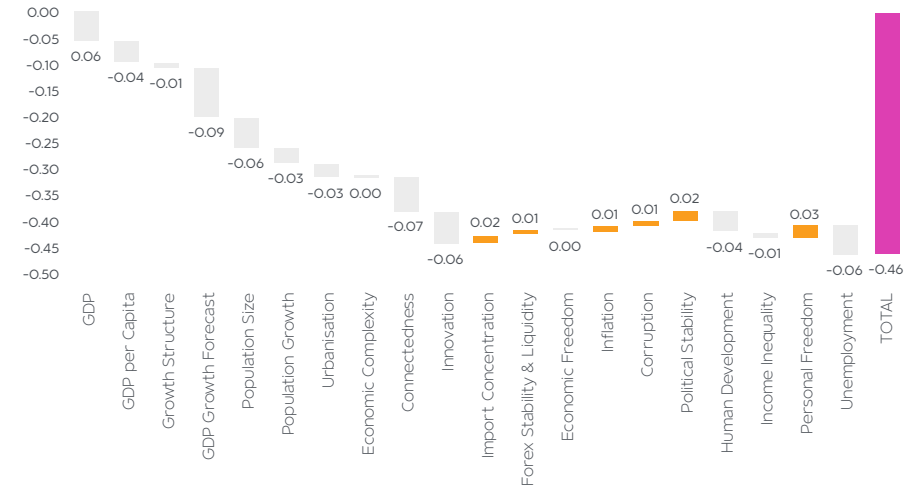


LESOTHO

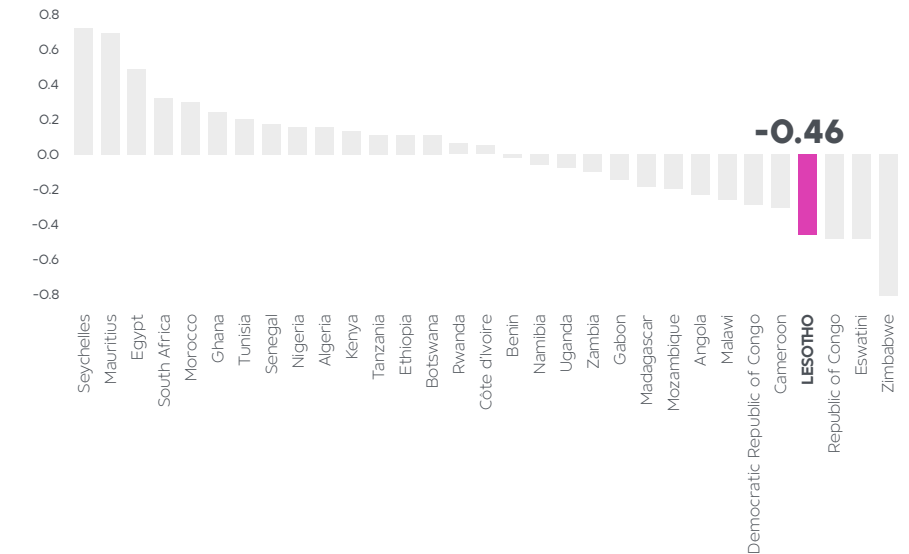


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
31	35%	Economic Performance & Potential	30	7.5%	-0.06	GDP	US\$ Billions	2.2	84.5	393.9	2.2
			26	5.0%	-0.04	GDP per Capita	\$	2,646	8,246	29,772	1,338
			24	2.5%	-0.01	Growth Structure	%	3.1	3.7	7.1	0.3
			29	7.5%	-0.09	GDP Growth Forecast	%	2.3	4.4	7.8	1.3
			28	7.5%	-0.06	Population Size	Millions	2.31	38.09	218.54	0.12
			26	2.5%	-0.03	Population Growth	%	1.2	2.3	4.9	0.0
			25	2.5%	-0.03	Urbanisation	%	30	49	91	18
26	20%	Market Accessibility & Innovation	13	5.0%	0.00	Economic Complexity	Index	-0.81	-0.81	0.39	-1.86
			31	5.0%	-0.07	Connectedness	Index	41.0	46.3	59.2	41.0
			24	5.0%	-0.06	Innovation	Index	10.3	17.9	32.1	10.3
			13	5.0%	0.02	Import Concentration	Index	0.10	0.12	0.06	0.28
11	25%	Economic Stability & Investment Climate	9	5.0%	0.01	Forex Stability & Liquidity	Index	0.2	0.0	0.9	-0.9
			18	5.0%	0.00	Economic Freedom	Index	6.0	6.0	7.8	3.8
			18	5.0%	0.01	Inflation	%	6.2	19.0	1.6	354.4
			13	5.0%	0.01	Corruption	Index	39.0	36.9	71.0	20.0
			10	5.0%	0.02	Political Stability	Index	42.0	33.7	87.3	4.7
25	20%	Social & Human Development	24	5.0%	-0.04	Human Development	Index	0.5	0.6	0.8	0.5
			21	5.0%	-0.01	Income Inequality	Index	44.9	43.0	27.6	63.0
			11	5.0%	0.03	Personal Freedom	Index	6.9	6.3	8.4	3.4
			25	5.0%	-0.06	Unemployment	%	17.7	9.6	1.6	26.5
			28	/31	-0.46	TOTAL					

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REPUBLIC OF CONGO

RANK
29
OVERALL SCORE
-0.48



The Republic of the Congo (Congo), is heavily forested and sparsely populated. With just under six million people and a GDP of just US\$14.4bn per year, its lowly ranking of 29th is not surprising.

I REPUBLIC OF CONGO

The Republic of the Congo (Congo), also known as Congo-Brazzaville to distinguish it from its neighbour, the Democratic Republic of the Congo, is heavily forested and sparsely populated. With just under six million people and a GDP of just US\$14.4bn per year, its lowly ranking of 29th is not surprising.

The Congo's major warning light is its growth structure. This indicator is a composite of the Harrod-Domar model and the Solow model, and it positions the Congo in last place out of 31 nations analysed.

Applying these two long-established models of exogenous growth, the Congo is, as currently structured, capable of at best a 0.33% economic growth rate. This is compared to a model mean of 3.7%. Other barriers to progress in the Congolese economy, the model reveals, include poor scores for innovation, economic freedom, unemployment, and economic freedom.

As long as these barriers remain, alongside a reliance on oil and mining, while long-serving President Denis Sassou-Nguesso holds a firm grip on power, investors will not anticipate reform or economic progress.



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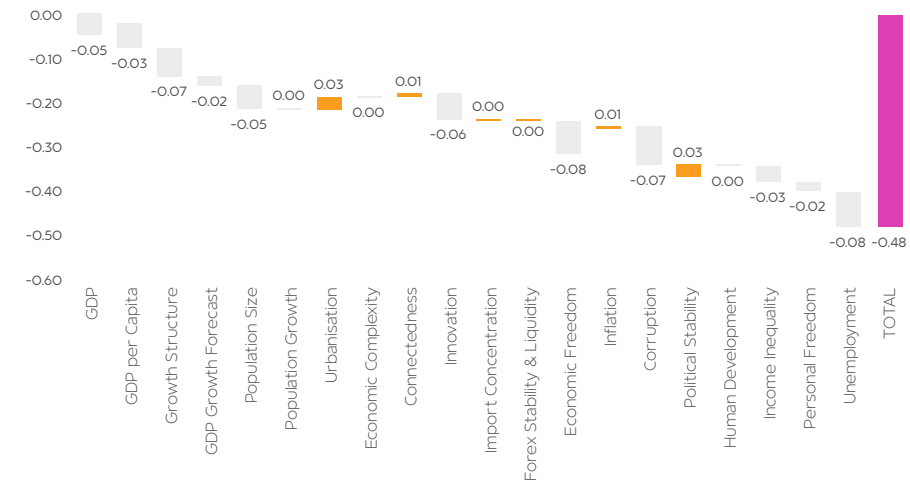
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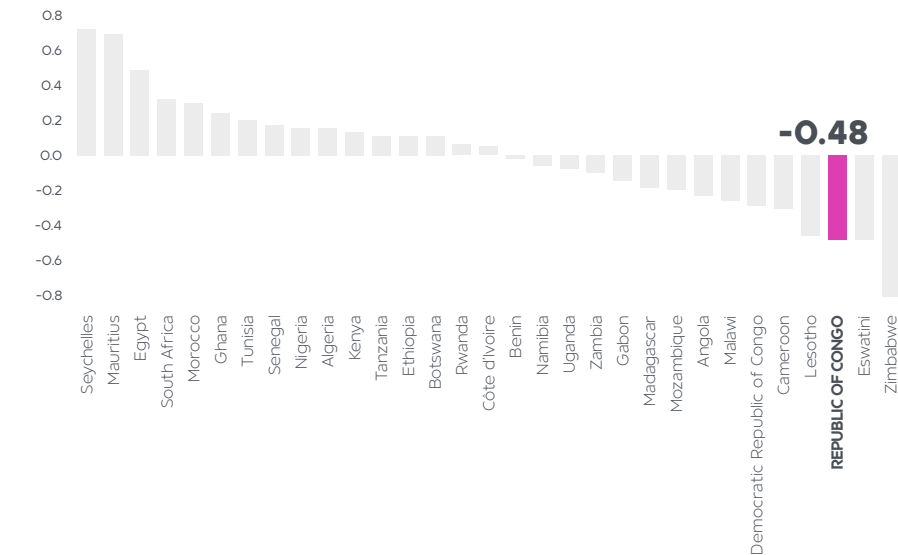
REPUBLIC OF CONGO

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
27	35%	Economic Performance & Potential	24	7.5%	-0.05	GDP	US\$ Billions	14.4	84.5	393.9	2.2
			18	5.0%	-0.03	GDP per Capita	\$	4,335	8,246	29,772	1,338
			31	2.5%	-0.07	Growth Structure	%	0.3	3.7	7.1	0.3
			18	7.5%	-0.02	GDP Growth Forecast	%	3.8	4.4	7.8	1.3
			24	7.5%	-0.05	Population Size	Millions	5.97	38.09	218.54	0.12
			17	2.5%	0.00	Population Growth	%	2.4	2.3	4.9	0.0
			5	2.5%	0.03	Urbanisation	%	69	49	91	18
18	20%	Market Accessibility & Innovation	13	5.0%	0.00	Economic Complexity	Index	-0.81	-0.81	0.39	-1.86
			11	5.0%	0.01	Connectedness	Index	46.8	46.3	59.2	41.0
			24	5.0%	-0.06	Innovation	Index	10.3	17.9	32.1	10.3
			17	5.0%	0.00	Import Concentration	Index	0.12	0.12	0.06	0.28
26	25%	Economic Stability & Investment Climate	15	5.0%	0.00	Forex Stability & Liquidity	Index	0.0	0.0	0.9	-0.9
			29	5.0%	-0.08	Economic Freedom	Index	4.9	6.0	7.8	3.8
			2	5.0%	0.01	Inflation	%	2.3	19.0	16	354.4
			30	5.0%	-0.07	Corruption	Index	22.0	36.9	71.0	20.0
			8	5.0%	0.03	Political Stability	Index	46.2	33.7	87.3	4.7
30	20%	Social & Human Development	14	5.0%	0.00	Human Development	Index	0.6	0.6	0.8	0.5
			23	5.0%	-0.03	Income Inequality	Index	48.9	43.0	27.6	63.0
			20	5.0%	-0.02	Personal Freedom	Index	5.8	6.3	8.4	3.4
			29	5.0%	-0.08	Unemployment	%	21.6	9.6	16	26.5
29	/31				-0.48	TOTAL					

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ESWATINI



Positioned 30 out of 31 countries in our current analysis, Eswatini can point neither to size nor to fundamentals in its favour. The population is substantially rural, and unemployment is second highest in the model – better only than South Africa.

RANK

30

OVERALL SCORE

-0.48

I ESWATINI

Tiny and landlocked by South Africa and Mozambique, Eswatini is one of the world's last absolute monarchies. The rule of King Mswati III continues, despite social upheaval and calls for democratic reform.

Eswatini's economy is heavily dependent on that of its far larger neighbour, South Africa, which accounts for 65% of its exports and three quarters of its imports.⁷³ In addition to a single large trading partner, Eswatini is reliant on a narrow line of exports measured by product, namely sugar cane and related products.⁷⁴

Positioned 30 out of 31 countries in our current analysis, Eswatini can point neither to size nor to fundamentals in its favour. The population is substantially rural, and unemployment is second highest in the model – better only than South Africa. Nearly a quarter of Swazis are officially unemployed.

Connectedness is another major challenge. Eswatini scores third last in the model and ranks 168 out of a total of 181 nations on the DHL Global Connectedness Report. The kingdom lacks navigable waterways and a coastline, and transport infrastructure is poor. Also, only 35% of Swazis have mobile broadband access.⁷⁵

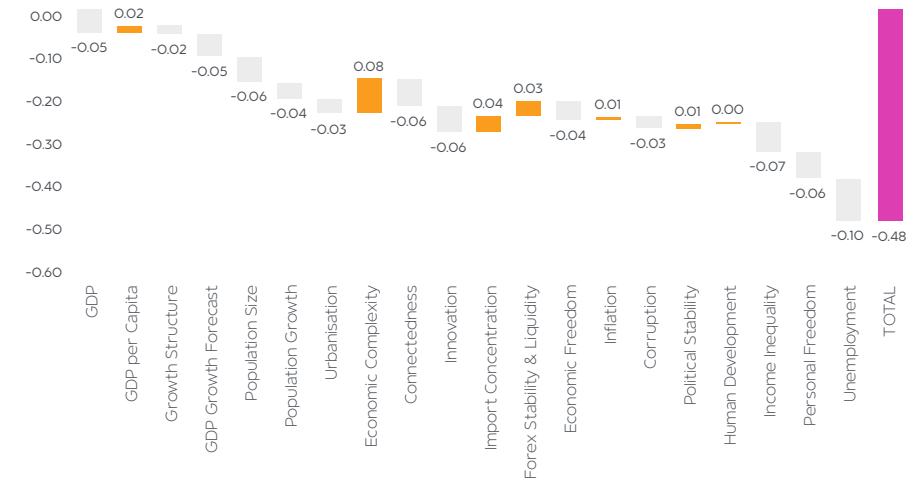
Eswatini needs major structural reforms before it has a chance at attracting capital and fostering healthy growth. A lack of natural endowments, such as land and mineral deposits, does not preclude its economic success. From Singapore to Estonia, there are aspirational examples of nations that have thrived by excelling in niches. Nothing prevents Eswatini from doing the same.



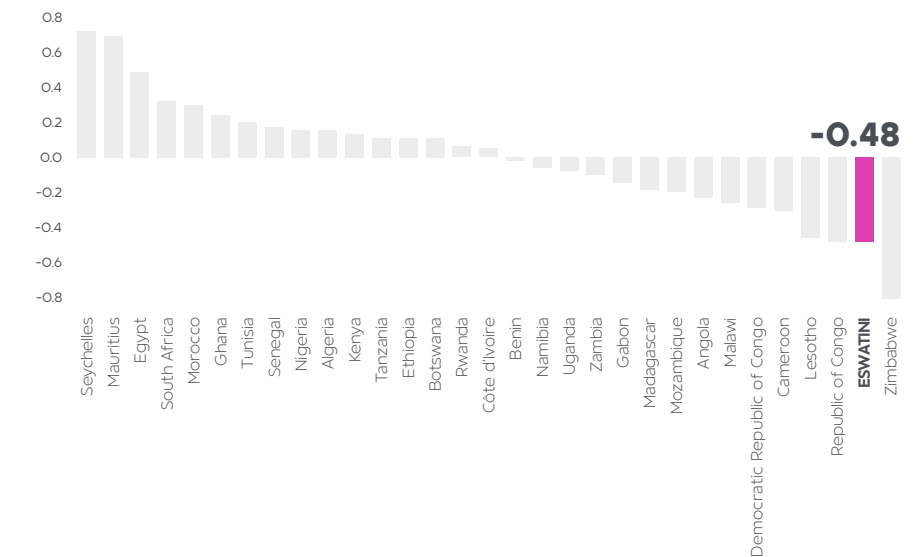
ESWATINI

PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
30	35%	Economic Performance & Potential	29	7.5%	-0.05	GDP	US\$ Billions	4.9	84.5	393.9	2.2
			10	5.0%	0.02	GDP per Capita	\$	10,700	8,246	29,772	1,338
			27	2.5%	-0.02	Growth Structure	%	2.7	3.7	7.1	0.3
			22	7.5%	-0.05	GDP Growth Forecast	%	3.3	4.4	7.8	1.3
			30	7.5%	-0.06	Population Size	Millions	120	38.09	218.54	0.12
			30	2.5%	-0.04	Population Growth	%	0.9	2.3	4.9	0.0
			28	2.5%	-0.03	Urbanisation	%	25	49	91	18
13	20%	Market Accessibility & Innovation	2	5.0%	0.08	Economic Complexity	Index	0.00	-0.81	0.39	-1.86
			29	5.0%	-0.06	Connectedness	Index	41.3	46.3	59.2	41.0
			24	5.0%	-0.06	Innovation	Index	10.3	17.9	32.1	10.3
			8	5.0%	0.04	Import Concentration	Index	0.08	0.12	0.06	0.28
16	25%	Economic Stability & Investment Climate	3	5.0%	0.03	Forex Stability & Liquidity	Index	0.7	0.0	0.9	-0.9
			27	5.0%	-0.04	Economic Freedom	Index	5.3	6.0	7.8	3.8
			9	5.0%	0.01	Inflation	%	4.0	19.0	16	354.4
			22	5.0%	-0.03	Corruption	Index	30.0	36.9	71.0	20.0
			13	5.0%	0.01	Political Stability	Index	38.2	33.7	87.3	4.7
31	20%	Social & Human Development	10	5.0%	0.00	Human Development	Index	0.6	0.6	0.8	0.5
			28	5.0%	-0.07	Income Inequality	Index	54.6	43.0	27.6	63.0
			28	5.0%	-0.06	Personal Freedom	Index	4.9	6.3	8.4	3.4
			30	5.0%	-0.10	Unemployment	%	23.9	9.6	16	26.5
30	/31	-0.48	TOTAL								

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ZIMBABWE



The mineral-rich, former breadbasket of southern Africa halted the printing of its own currency in April 2009 and the country began relying on foreign currency. This introduced a period of stability.

RANK

31

OVERALL SCORE

-0.80



I ZIMBABWE

Many will recall the painful height of Zimbabwe's hyperinflation. The currency hit the second-most severe rate of devaluation ever recorded in 2008. The only example of a more dire devaluation is post-World War II Hungary.⁷⁶

Between March 2007 and November 2008, Zimbabwe recorded a maximum monthly inflation rate of 7.96×10^{10} percent. By contrast, Germany's inflation of the Reichsmark in 1922/1933 reached a monthly peak of 29,500%.⁷⁷

The mineral-rich, former breadbasket of southern Africa halted the printing of its own currency in April 2009 and the country began relying on foreign currency. This introduced a period of stability. However, this was short-lived. A new domestic currency was launched in 2019, and rampant inflation ensued.

In April 2024, with devaluation continuing unabated, Zimbabwe's central bank governor John Mushayavanhu announced a new currency for the country. Named 'Zimbabwe Gold', or 'ZiG' for short, the new notes would be backed by gold. This was intended to bring stability to the country by replacing the Zimbabwe dollar that had already lost three quarters of its value during the early part of 2024.

Authorities claim to be committed to ensuring that the ZiG is backed by the equivalent value in precious metals (mainly gold) or foreign currency. However, Zimbabweans have been promised a stable currency before. Markets will decide how much value the latest promises hold.



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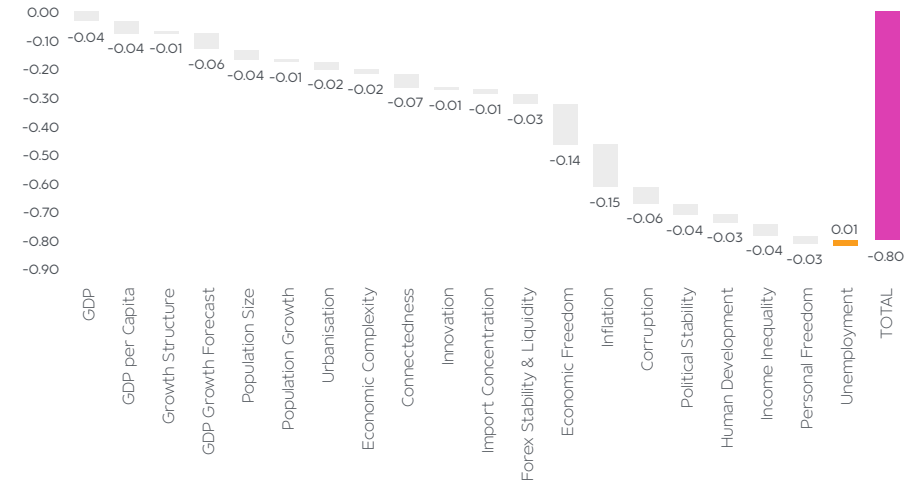
REFERENCES

ZIMBABWE

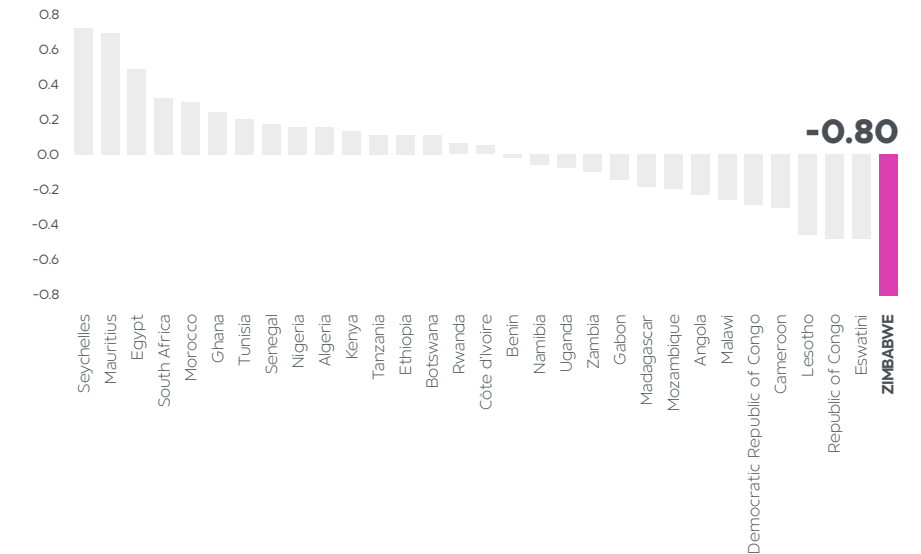


PILLAR RANK	PILLAR WEIGHT	PILLAR	METRIC RANK	METRIC WEIGHT	METRIC SCORE	METRIC	UNIT	VALUE	AVERAGE	BEST	WORST
29	35%	Economic Performance & Potential	16	7.5%	-0.04	GDP	US\$ Billions	32.2	84.5	393.9	2.2
			27	5.0%	-0.04	GDP per Capita	\$	2,608	8,246	29,772	1,338
			20	2.5%	-0.01	Growth Structure	%	3.4	3.7	7.1	0.3
			25	7.5%	-0.06	GDP Growth Forecast	%	3.1	4.4	7.8	1.3
			20	7.5%	-0.04	Population Size	Millions	16.32	38.09	218.54	0.12
			20	2.5%	-0.01	Population Growth	%	2.0	2.3	4.9	0.0
			24	2.5%	-0.02	Urbanisation	%	32	49	91	18
23	20%	Market Accessibility & Innovation	23	5.0%	-0.02	Economic Complexity	Index	-1.01	-0.81	0.39	-1.86
			26	5.0%	-0.05	Connectedness	Index	42.5	46.3	59.2	41.0
			16	5.0%	-0.01	Innovation	Index	16.5	17.9	32.1	10.3
			22	5.0%	-0.01	Import Concentration	Index	0.13	0.12	0.06	0.28
31	25%	Economic Stability & Investment Climate	29	5.0%	-0.03	Forex Stability & Liquidity	Index	-0.7	0.0	0.9	-0.9
			31	5.0%	-0.14	Economic Freedom	Index	3.8	6.0	7.8	3.8
			31	5.0%	-0.15	Inflation	%	354.4	19.0	1.6	354.4
			29	5.0%	-0.06	Corruption	Index	24.0	36.9	71.0	20.0
			24	5.0%	-0.04	Political Stability	Index	16.5	33.7	87.3	4.7
26	20%	Social & Human Development	18	5.0%	-0.03	Human Development	Index	0.6	0.6	0.8	0.5
			24	5.0%	-0.04	Income Inequality	Index	50.3	43.0	27.6	63.0
			21	5.0%	-0.03	Personal Freedom	Index	5.6	6.3	8.4	3.4
			18	5.0%	0.01	Unemployment	%	7.6	9.6	16	26.5
			30	/31	-0.80	TOTAL					

METRIC SCORE CONTRIBUTIONS



TOTAL OVERALL SCORE



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INTRA VERSUS EXTRA

Intra-regional trade is a loaded spring in Africa's economic box. On multiple measures, trade among the economies of the continent is stunted. Principally, volumes traded within the continent are far lower than is the case on other continents. Intra-Africa trade is currently only around 15% of its global trade, while that figure is 67% in Europe.⁷⁸

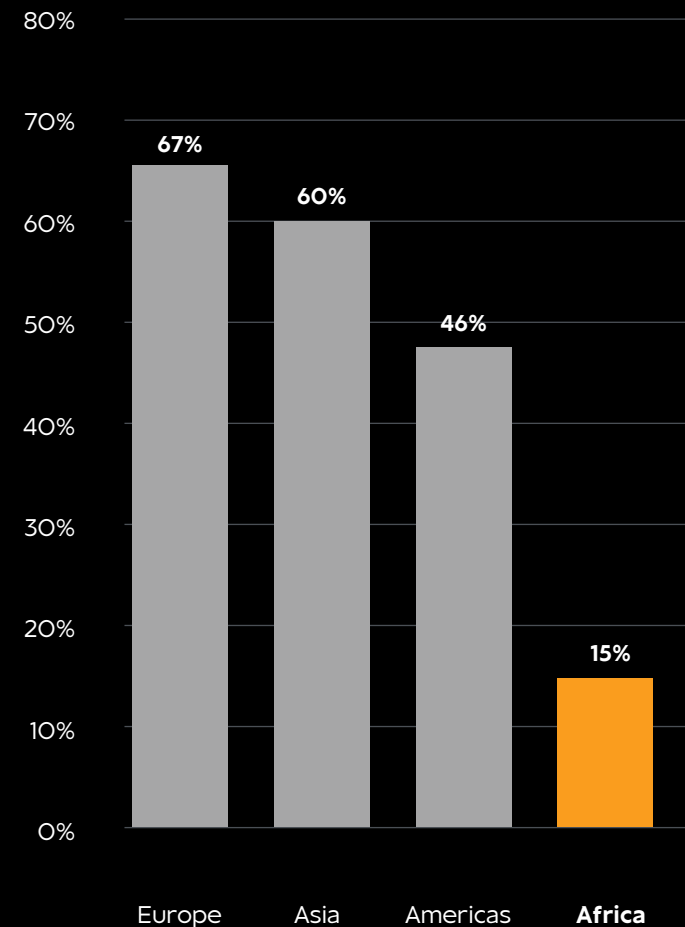
Additionally, this trade is stagnant. African nations are trading with other African nations today scarcely more than they did in 2013. In the eight years to 2022, intra-Africa trade grew from US\$98bn to US\$102bn.⁷⁹

This limited degree of trade is further skewed by the dominance of just a few nations. South Africa makes up nearly a third of all intra-Africa trade.⁸⁰ This drops rapidly down to the second place of the DRC, which accounts for 8%. The only other nations with intra-Africa trade of more than 5% of the total are Nigeria and Egypt.

Removing barriers to trade among African nations has the potential to boost prosperity. According to the United Nations Economic Commission for Africa, an African single market trade agreement could enable Africa's economy to reach the US\$29trn mark by 2050.⁸¹ This would require an extraordinary degree of cooperation and a continent-wide implementation.

FIGURE 14

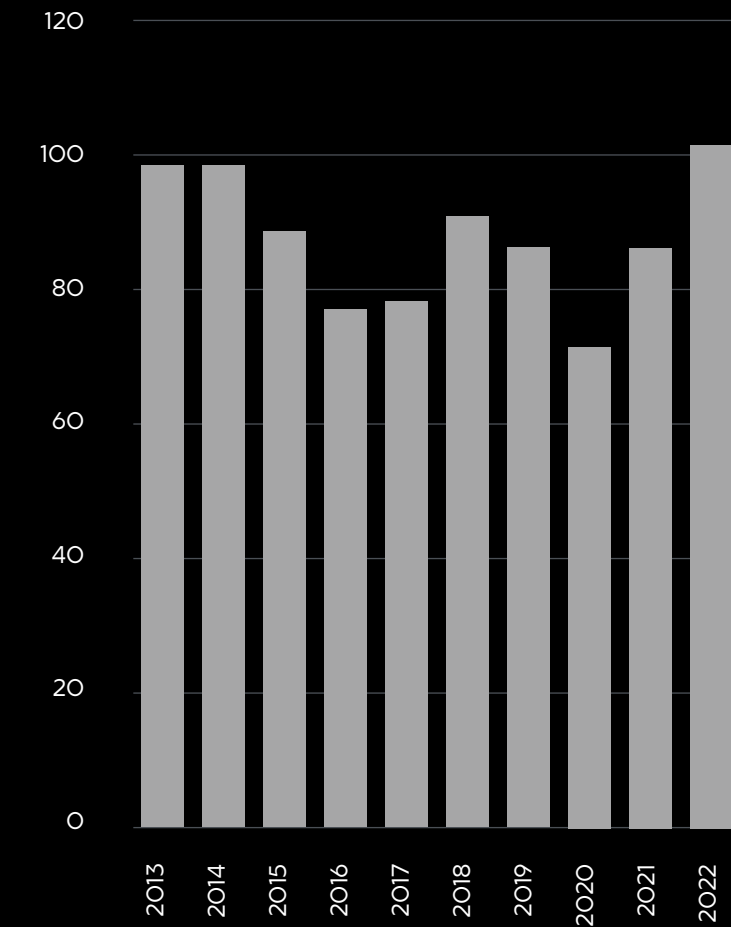
Intra-regional trade (imports and exports) as a percentage of total trade



Source: Computed from UNCTAD data (2021)

FIGURE 15

Intra-African trade (\$ billion) 2013 to 2022



Source: Tralac (2023)

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“

Now, several years down the line, businesspeople and consumers may be wondering where the benefits are of the AfCFTA. If only it were that simple.”



ENTER AFCFTA

“Liberalised trade on the African continent,” says David Luke, professor in practice and strategic director at the Firoz Lalji Institute for Africa at the London School of Economics, “offers an incentive for the restructuring of African economies through diversification, and agricultural and industrial development. The trade deal offers a framework for continent-wide reforms to bring trade costs down, undertake border reforms and foster institutions and practices of modern trade governance.”⁸²

Luke’s bold statement relates to the much-vaunted African Continental Free Trade Area (AfCFTA). Indeed, the agreement’s underlying exciting development is a triumph. It represents the culmination of decades of strategising, cooperating, and iterating towards a finely-tuned agreement that has the makings of the world’s largest trade zone by number of member states. Decisive contributions to the AfCFTA agreement include establishing criteria for rules of origin of goods and services, an online tariff negotiation portal, mechanisms for detecting, monitoring and addressing non-tariff barriers, and a pan-African payment and settlement platform.

A World Bank report estimates that, if fully implemented, “the trade pact could boost regional income by 7% or US\$450bn, speed up wage growth for women, and lift 30 million people out of extreme poverty by 2035.”⁸³

CAUGHT BETWEEN PAPER AND PRACTICE

However, this statement needs to be qualified as the AfCFTA is currently stuck in limbo between paper and practice.

The AfCFTA’s underlying agreement, brokered by the African Union (AU), was signed in March 2018. Following ratification by the stipulated minimum of 22 signatory states, the agreement came into force on 30 May 2019. The institution has its own permanent secretariat, based in Accra, Ghana. This body oversees negotiations and implementation of the agreement. On paper, this means, in essence, there will be the elimination of most tariffs on goods and services over a period of years. The exact duration is determined by the relevant country’s level of development and the nature of the products and services in question.

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Now, several years down the line, businesspeople and consumers may be wondering where the benefits are of the AfCFTA. Before this remarkable document can begin to liberate markets, facilitate investment and streamline trade, multiple challenges must be overcome on the ground.

There are three critical steps that participant nations need to conclude including tariff negotiations, settling rules of origin, and agreeing on tariff concessions. This is guided by the signed agreement.

However, incentives are still not well aligned. Consider that South Africa makes up only 4% of its fiscal income from import tariffs, but that Uganda makes almost a quarter of its income this way. Countries in South Africa's position are far more motivated to agree to larger tariff reductions. However, discrepancies like this exist across the continent.

The AfCFTA's success also rests heavily on the elimination of non-tariff barriers. "Free trade is not

possible, as long as goods are being delayed or stopped altogether at borders, and where there are quotas, embargoes and levies. Addressing these issues necessitates reform of customs and excise, and border posts."⁸⁴

Nonetheless, 43 nations under the AfCFTA have now issued their tariff offers. This represents the timelines and quantum of the tariff reductions they are prepared to offer. In the case of 29 of these offers, technical verification has been achieved. This means that logistical matters, such as technical requirements at border posts, can be implemented and, once those are in place, preferential trade can begin. The difficulty is that the logistics thereof take time.

THE GUIDED TRADE INITIATIVE (GTI)

This may paint a bleak picture of bureaucracy and lethargy. Fortunately, there are practical moves in motion to reach the implementation stage. The Guided Trade Initiative (GTI) is, in essence, an AfCFTA pilot. Initiated in 2022, and now in its second version, with a

third in the works, the GTI is an attempt to implement the free trade area a step at a time.

Starting with just eight countries and a limited number of goods and expanding to a dozen nations and a wider array of goods by the second version, the GTI allows for the benefits of free trade to be unfurled and experienced wherever sufficient foundations are in place.

While the implementation of the GTI has been slow, and results have been difficult to monitor, it represents a practical way to harness efforts and demonstrate not only our ability to make the AfCFTA a reality but to begin reaping the rewards. As data emerges from bourses and border posts, the GTI may well prove a blueprint for making the AfCFTA a reality across the continent.

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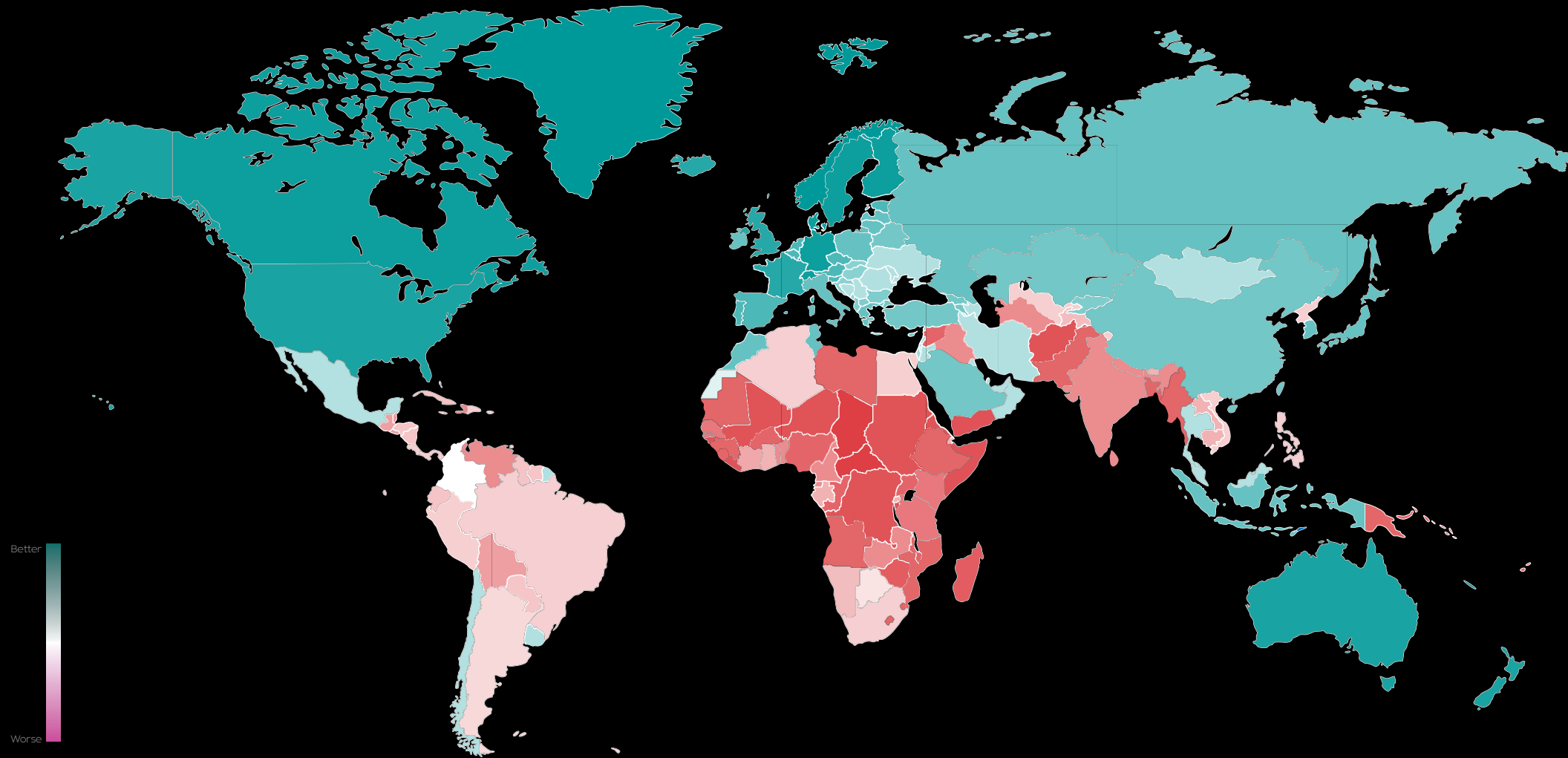
READY OR NOT?

Africa's future depends on sustainable innovation. As it stands, it is the continent least ready to adapt to changing environmental, economic and social sectors. The Notre Dame Global Adaptation Initiative (ND-GAIN) ranks country capacity to adapt to climate change.⁸⁵ African countries are among the least ready, and occupy the bottom five positions on the rankings – from lowest: Chad, Central African Republic, Eritrea, Democratic Republic of Congo and Guinea-Bissau.



FIGURE 16

Notre Dame Global Adaptation Initiative Country Index scores (2023)



Source: Notre Dame GAIN (2023)

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Climate change is set to cause substantial population displacement in Africa. Notably, the majority of this will take the form of movement within the continent. The World Bank’s forecast of 86 million internal climate migrants by 2050 in Africa underscores the imminent human and socio-economic risks.⁸⁶

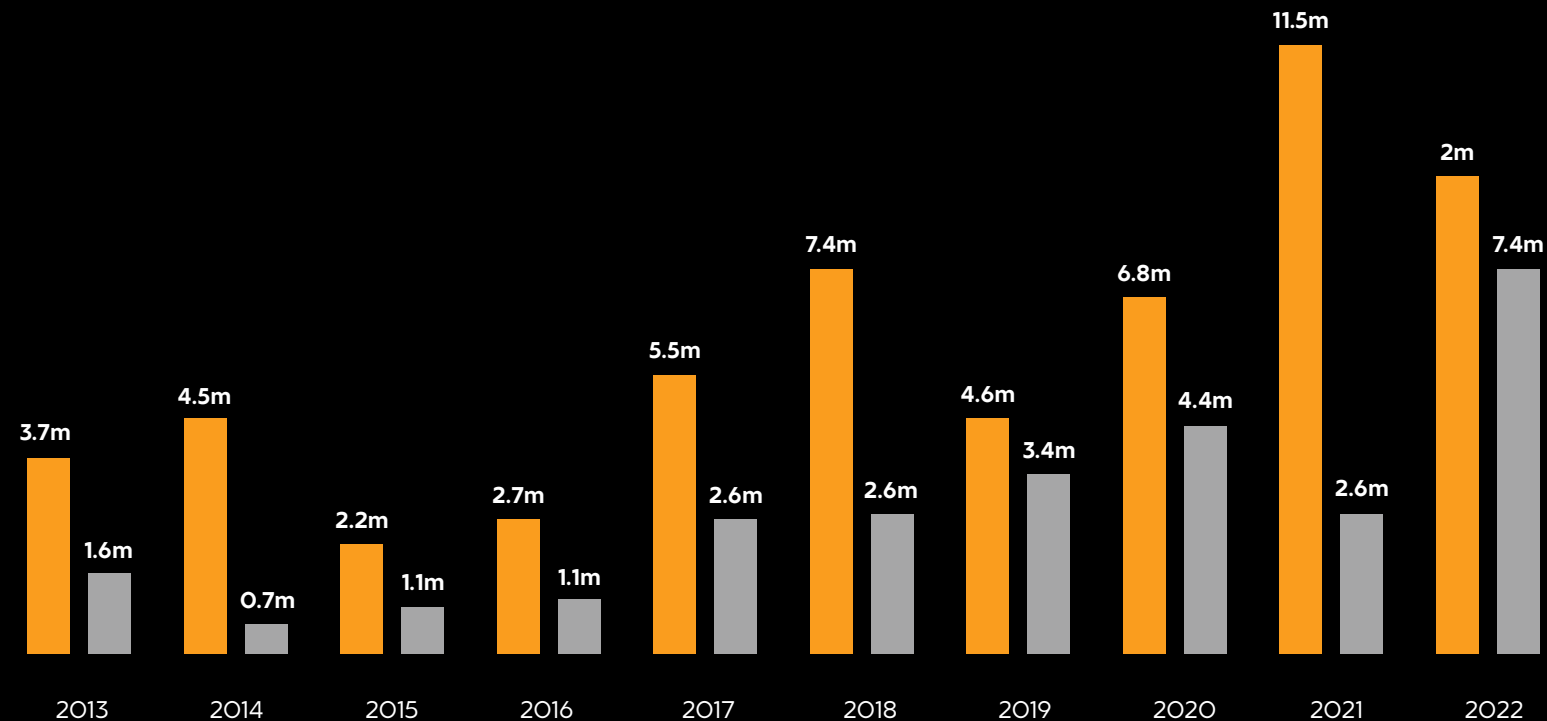
Countries like Nigeria, Ethiopia, and the Democratic Republic of Congo are particularly at risk, with each of these countries being home to large populations that depend on climate-sensitive resources and face high levels of poverty.⁸⁷

Cyclones Idai and Kenneth, which struck Mozambique in 2019, demonstrate how extreme weather events devastate communities, with the cyclones displacing tens of thousands of people, and crippling local economies. Similarly, drought conditions in the Horn of Africa have led to internal migrations with overwhelming social and economic impacts, as seen recently in Somalia and Ethiopia.⁸⁸

According to the United Nations, between April and June 2023, approximately 6.6 million people in Somalia experienced high levels of acute food insecurity.⁸⁹ Somalia is experiencing more frequent and longer-lasting droughts, which are becoming more severe as the climate changes.

FIGURE 17

Internal displacements by conflict and violence (orange) and disasters (grey) in sub-Saharan Africa (2013 to 2022)



Source: Norwegian Refugee Council (2023)

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The country experienced an unprecedented sixth consecutive failed rainy season in late 2023.

These droughts are leading to the desertification of the country's once fertile land.⁹⁰ Over 70% of the population is now bearing the brunt of the changing climate in Somalia. Severe droughts, unpredictable rainfall, and rising temperatures have led to the loss of crops, livestock, and the livelihoods of the pastoral communities.

"The most vulnerable people in Somalia have been hit once again by climate change. With these floods following right after the drought, it feels like a relentless bombardment of climate shocks for struggling families," said Laura Turner, WFP Somalia Deputy Country Director.⁹¹

FINANCIAL INNOVATION FOR SUSTAINABILITY

Financing the vast initiatives and systems required to manage climate risks is a key challenge, especially in Africa. As it stands, African governments have pledged just over US\$250bn from domestic public funds for climate change finance.⁹² This leaves a great deal of the work to be done by innovative financing methods

emerging from the private sector⁹³ and, of course, via public-private partnerships.

A coalition led by the African Development Bank is at the forefront of overcoming the financing barrier. The initiative counts as members the European Investment Bank, the European Bank for Reconstruction and Development, Italy's *Cassa Depositi e Prestiti*, the Spanish Agency for International Development Cooperation, and others.¹⁴³ However, this admirable effort anticipates making only €15bn–€20bn in green investments – a fraction of what is required.

No challenge this size has a single solution. As the World Economic Forum states, "a multi-faceted strategy that leverages innovative financial instruments, enhances the role of the private sector, harnesses emerging technologies, and secures substantial climate financial commitments from the world's largest polluters."¹⁴⁴

Solutions will need to range from fintech to enable innovative funding instruments, to green technology itself and to concessional solutions – "below-market-rate funding from grants, loans, or other instruments aimed at supporting climate-related development objectives."⁹⁴

LEADING THE WAY

In response to these challenges, several African countries are making notable strides in utilising environmental, social and governance approaches to create innovative solutions.

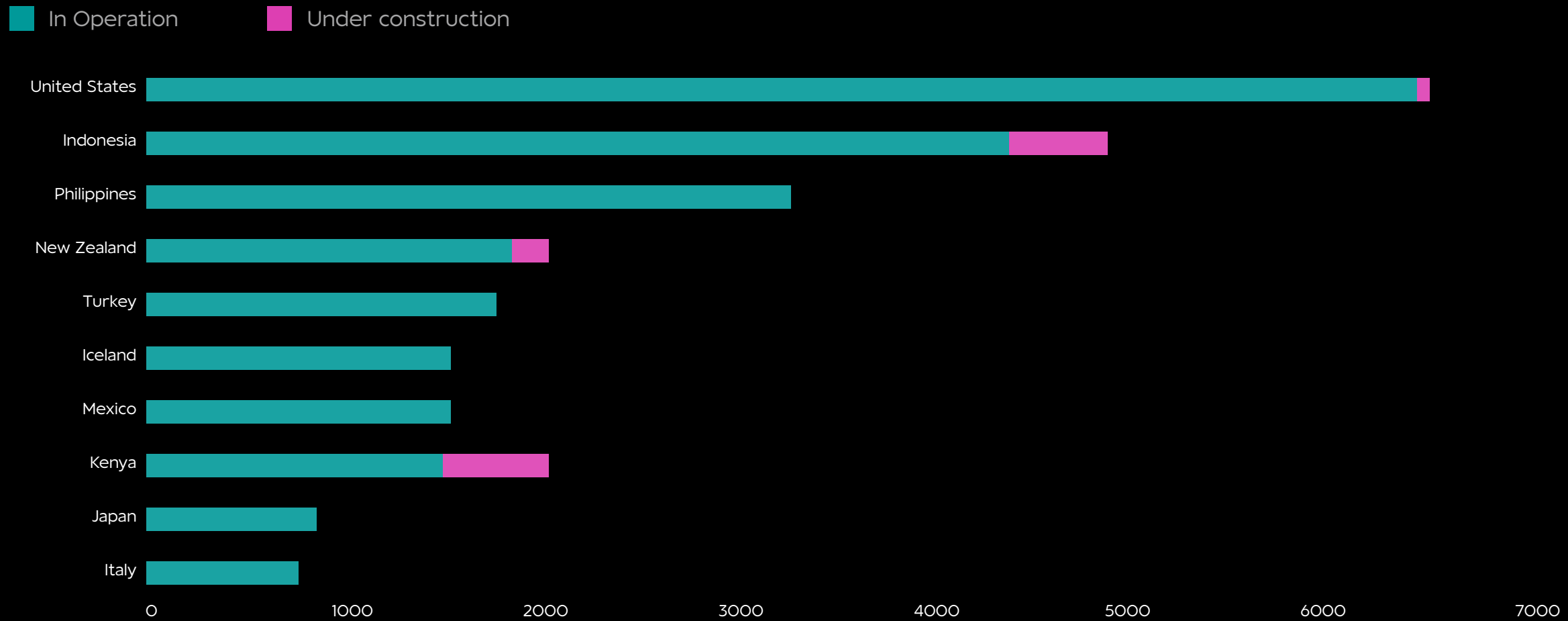
Rwanda: Known for its commitment to environmental sustainability, Rwanda has implemented comprehensive environmental policies, such as bans on single-use plastic bags and bottles,⁹⁵ and ambitious reforestation initiatives.⁹⁶

Kigali, the capital, is often cited as one of the cleanest cities in Africa, reflecting the country's broader environmental governance and urban planning successes.

In May 2020, Rwanda was the first African country to submit its revised climate action plan. In the plan, Rwanda has an ambitious target to reduce greenhouse gas emissions by 38% by 2030, equivalent to an estimated mitigation of up to 4.6 million tonnes of carbon dioxide equivalent (tCO₂e).⁹⁷

FIGURE 18

Major global geothermal power producers (megawatts)



Source: Global Energy Monitor

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To ensure the country remains well coordinated in financing these goals, the Rwanda Green Fund (FONERWA) was created. Since its inception, the Fund has raised US\$217m for green investments across the country.

Rwanda became the first African country to access funds under the new Resilience and Sustainability Trust (RST) facility, an IMF programme aimed at helping low-income and vulnerable middle-income countries build resilience to external shocks and ensure sustainable growth, contributing to their longer-term balance of payments stability.⁹⁸

Globally, Rwanda ranks as the 32nd most vulnerable country to climate change and stands in position 88 in term of country readiness.⁹⁹ It is on the road to responding effectively to climate change, but the adaptation needs and urgency to act are significant.

Kenya: A leader in renewable energy, Kenya boasts one of the world’s largest geothermal power operations.

The country’s significant investments in solar and wind energy underscore its commitment to achieving SDG 7 (Affordable and Clean Energy).¹⁰⁰

In Kenya, geothermal energy accounts for almost half (46%) of electricity generation – more than any other country in the world – and 79.7% of electricity generation in Kenya is from renewables, with the primary source being geothermal.¹⁰¹

Kenya, currently the eighth largest geothermal power user, has more geothermal power capacity under construction than any other country, and plans to nearly double overall geothermal power output by 2030 as part of its ambitious green energy goals.

Once current projects are completed, Kenya will rank fourth on the global list of geothermal users, behind the United States, Indonesia and the Philippines, and aims to generate over half of the country’s electricity from geothermal sites, according to data from the Global Energy Monitor.¹⁰²

Morocco: The Noor Ouarzazate Solar Power Station, the world’s largest concentrated solar power plant,¹⁰³ exemplifies Morocco’s leadership in renewable energy. The country’s aggressive targets for reducing greenhouse gas emissions align with its broader ESG commitments and SDG contributions, particularly in climate action (SDG 13).

Covering 450 hectares, the utility came online in 2016. Its goal is to provide power to over one million Moroccans, while cutting 760,000 tons of carbon emissions per year.¹⁰⁴

The project was developed on a build, own, operate and transfer (BOOT) basis by ACWA Power Ouarzazate, a consortium of ACWA Power, the Moroccan Agency for Solar Energy (Masen), Aries and TSK.¹⁰⁵ Hardly a standalone project, Ouarzazate is a major project that is strategised and implemented as part of Morocco’s energy strategy, which aims to increase the share of renewable energy sources to 52% by 2030.¹⁰⁶

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Africa is not a country. It may be better encapsulated by its nuance and contrast than by its uniformity. And, while the full richness of the continent's diversity is surely beyond full analysis, it is a local and global imperative that we develop stronger and deeper models to understand the varied markets that make up this vast regional economy.

The 2024 RMB *Where to Invest in Africa* report is a practitioner-driven, data-backed model to help investors develop a balanced, robust and actionable view of the salient factors – drivers, challenges and opportunities – that characterise each of the 31 African markets included in the analysis.

Far from a targeted, prescriptive tool, this report should be read through a multifaceted lens that aggregates reliable economic data into a usable form. Whether interested in 'jumbo jets', innovative countries with growth forecasts that are 'cleared for take-off' or one of the many other potential market archetypes, this report will enable investors to chart their own fruitful itineraries on their own economic flight paths across the continent of Africa.

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STANDARDISATION AND Z-SCORES

Data for each metric is drawn from multiple sources, each using its own method for calculation and scoring. For example, we draw GDP numbers from the World Bank, which calculates these as nominal figures in current US dollars, while we draw our Human Development score from the Human Development Index, which rates and ranks countries by using inputs ranging from life expectancy at birth to mean years of schooling.

In order to standardise our data, so that each metric and score can be compared like for like, we convert all source scoring into Z-scores. We begin by calculating a mean for each metric's data. From there, we score each country by how many standard deviations its score is from that mean.

A nation whose score is, for example, 1 standard deviation above the mean receives a Z-score of 1. A nation that is one-third of a standard deviation below the mean receives a Z-score of -0.33.

As a final step to creating our country score on each metric, we winsorize the data. That is, we prevent any country from scoring more than three standard deviations above or below the mean. Thus, the highest possible score is 3 and the lowest possible score is -3. This serves to prevent any extreme outliers from distorting the data. This was most prominent when scoring Zimbabwe for inflation.

We also weight each metric. This is indicated as a percentage for each metric below. For the overall nation scores, we sum Z-scores across all 20 metrics.

PODIUM RANKINGS Podium rankings are based on the Z-scores but are less granular. Podium rankings measure order only. They say nothing about how much better or worse one country scores compared to any other.

METRIC CONSTRUCTION

Our ranking method makes use of 20 metrics. Each metric measures one significant determinant of a country’s attractiveness as an investment destination. Proxies are chosen to represent a diversity of drivers of investability, ranging from measures of pure economic size (GDP) to the ease with which money can be moved in and out (forex stability and liquidity). All data is publicly available from bodies such as the World Bank, the International Monetary Fund and Transparency International. In all cases, we use the latest available data. For the majority of these cases, this is 2022.

GDP	<p>A larger economy is considered more attractive for investment. We use nominal GDP, in US dollars, from the IMF’s April 2024 World Economic Outlook for 2023, the most recent complete calendar year. The IMF’s figures for nominal GDP for the 31 countries are estimates, with the exception of Egypt, Lesotho, Mauritius and Rwanda. In the latter four cases, the IMF has reported on actual nominal GDP.</p> <p>We apply a 7.5% weighting to this metric.</p>
GDP PER CAPITA	<p>GDP per capita is presented at purchasing power parity, in current international dollars. We use 2022 figures – the most recent available – from the World Bank.</p> <p>We apply a 5% weighting to this metric.</p>
GROWTH STRUCTURE	<p>For this metric, we apply a composite measure, consisting of two robust approaches to measuring growth structure that capture the phenomenon in distinct ways.</p> <p>The Harrod-Domar growth model explains economic growth as a function of investment, savings and productivity. It models how an increase in investment will lead to an increase in productivity, which in turn, will lead to economic growth. The model assumes investment leads to the accumulation of capital, which is used to produce goods and services. As more capital is accumulated, the productivity of the economy increases. This increase in productivity leads to an increase in output, which results in economic growth.</p>

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The Solow model explains the long-term growth of an economy in terms of the accumulation of capital and productivity growth. It assumes an economy grows over time by accumulating physical capital (buildings, machines, and infrastructure) and human capital (education and skills) and by technological progress. It helps us understand the factors that drive long-term economic growth.

The Solow model acknowledges that by focusing on policies that encourage investment in physical and human capital, as well as policies that promote technological progress, countries can improve their growth prospects. It also highlights the importance of productivity growth as a driver of economic growth. Policies that increase productivity, such as investment in research and development or improvements in infrastructure, can have a significant impact on economic growth in the long run.

Our growth structure score is the average of the two component model scores.

Growth structure data is sourced from the International Labour Organization (ILO).

We apply a 2.5% weighting to this metric.

GDP GROWTH FORECASTS

Future growth prospects are estimated by applying GDP growth forecasts from the latest IMF World Economic Outlook for April 2024, by taking the average growth estimates over the five-year period from 2024 to 2028 inclusive. All figures are estimates for the five-year period.

We apply a 7.5% weighting to this metric.

POPULATION SIZE

Data is drawn from the World Bank’s reported population figures for 2022.

We apply a 7.5% weighting to this metric.

POPULATION GROWTH

The population growth rates are annual averages from the five years preceding and including 2022, based on World Bank data.

We apply a 2.5% weighting to this metric.

URBANISATION

Urbanisation estimates (percent of population living in urban areas) are drawn from the World Bank for 2022.

We apply a 2.5% weighting to this metric.

ECONOMIC COMPLEXITY

Countries become more prosperous and attractive to investors – the greater the diversity of products and services produced, the greater the complexity of these products and services.

We use the Harvard Growth Lab’s most recently published Economic Complexity Index (ECI) for this metric, dated 2021.

We apply a 5% weighting to this metric.

CONNECTEDNESS

Global connectedness is associated with greater depth and breadth of international flows of trade, capital, information and people. Connectedness scores are taken from the 2024 DHL Global Connectedness Report.

We apply a 5% weighting to this metric.

INNOVATION

Innovation is sourced from the latest Global Innovation Index report by the World Intellectual Property Organisation, dated 2023.

We apply a 5% weighting to this metric.

IMPORT CONCENTRATION

Economies with more diversified imports tend to be less risky and more attractive. In contrast, a country that relies heavily on the import of a single commodity or a small group of commodities would be at risk in the event of global supply disruptions or price increases for those goods. By diversifying its imports, a country can mitigate these risks and ensure a stable supply of goods for its domestic industries and consumers, thereby promoting better market accessibility and innovation.

For this metric, we calculate an average of scores on UNCTAD’s Product Concentration and Diversification of Imports Index for the years 2018 to 2022.

We apply a 5% weighting to this metric.

FOREX STABILITY & LIQUIDITY

This metric is a composite of five data points, used as proxies, and provides a measure of the currency risk an investor takes on when investing in a given market. These five composite proxies are: commodity reliance; government debt as a percentage of GDP; the basic balance, calculated as the current account balance plus foreign direct investment flows; import cover; and financial development. These are described in detail below.

All five composite proxies are given an equal weighting, based on the Z-score to form this metric.

We apply a 5% weighting to the overall metric.

COMPOSITE PROXIES

1. Commodity reliance

Size of commodities market as a percentage of all export products.

Excessive reliance on commodities poses the risk of an economy being overexposed to the global commodity cycle.

As UNCTAD (UN Trade and Development) puts it, “A country is considered to be commodity export dependent when more than 60% of its total merchandise exports are composed of commodities.” Countries with relatively lower commodity dependence therefore achieve a higher score.

We use UNCTAD 2022 data for this metric.

2. Government debt as a percentage of GDP

Lower government debt, as a percentage of GDP, is preferred. Less heavily indebted countries receive a more favourable score.

General gross government debt levels are sourced from the IMF for 2022.

3. Basic balance (five-year average)

The basic balance measures inflows and outflows of both the current account balance and the capital account balance.

The basic balance is calculated by adding a country’s current account balance (as a percentage of GDP) with its net foreign direct investment (FDI) inflows (also as a percentage of GDP). A higher summed figure attracts a higher score.

The basic balance seeks to balance out the scoring impact of a high current account deficit if the country is simultaneously attracting high FDI inflows.

The model makes use of a five-year historical average from 2018 to 2022 of the current account balance (as a percentage of GDP), as well as a five-year historical average (2018 to 2022) of net FDI inflows (as a percentage of GDP).

This component of the forex and liquidity index uses current account data from the IMF and net FDI inflows from the World Bank.

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4. Import cover

Import cover measures the number of months of imports that could be covered by a country’s international reserves. It is calculated by dividing a country’s average monthly imports in a given year into the country’s total foreign reserves. A higher import cover attracts a higher score.

World Bank data for total imports is for the latest available year, which is 2022 for most countries, with the following exceptions: Benin (2021), DRC (2021), Republic of Congo (2020), Côte d’Ivoire (2021), Gabon (2015), Malawi (2021), Senegal (2021), Tanzania (2020) and Zimbabwe (2020).

World Bank data for total foreign reserves is for the latest available year, which is 2022 for most countries, with the following exceptions: Benin (2015, CEIC), Côte d’Ivoire (2023, CEIC), Senegal (2017, CIA World Fact Book), Tanzania (2018) and Uganda (2018).

5. Financial Development

This component is taken from the IMF’s Financial Development Index. This is a relative ranking of countries on the depth, access, and efficiency of their financial institutions and financial markets.

ECONOMIC FREEDOM

Greater economic freedom is considered more attractive to investors. We apply the Human Freedom Index (HFI) from the Fraser and Cato Institutes, which is a “broad measure of human freedom, understood as the absence of coercive constraint.”¹⁰⁹ The index’s most recent date of publication was 2023.

We apply a 5% weighting to this metric.

INFLATION

Lower inflation indicates higher investment attractiveness. We take the annual average inflation rate over the five-year period from 2019 to 2023 inclusive from the IMF’s April 2024 World Economic Outlook. These data points are all actuals, as opposed to estimates, with the exception of Senegal for both 2022 and 2023 as well as the following estimates for 2023: Algeria, Cameroon, Republic of Congo, Ethiopia, Ghana, Morocco, Tanzania, and Zambia.

We apply a 5% weighting to this metric.

CORRUPTION

Lower perceived levels of corruption translate into greater investment attractiveness. We use country rankings from the 2023 Corruption Perceptions Index from Transparency International.

We apply a 5% weighting to this metric.

**POLITICAL
STABILITY**

We use the Political Stability and Absence of Violence/Terrorism Index from the World Bank, 2023. This measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism.

We apply a 5% weighting to this metric.

**HUMAN
DEVELOPMENT**

This metric uses the United Nations' Human Development Index (HDI) data from 2022. The HDI is a "summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable, and having a decent standard of living."¹⁰

We apply a 5% weighting to this metric.

**INCOME
INEQUALITY**

Higher inequality lowers a country's investment attractiveness. For this metric, we use the Gini index from the World Bank's Poverty and Inequality Platform, employing the latest available score for each of the 31 countries. The Gini index measures the extent to which the distribution of income or consumption among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.

We apply a 5% weighting to this metric.

**PERSONAL
FREEDOM**

Countries with greater personal freedom achieve higher scores for investment attractiveness. This metric is constructed from data collated by the Cato Institute and Fraser Institute, most recently published in 2023.

We apply a 5% weighting to this metric.

UNEMPLOYMENT

Greater unemployment indicates lower investment attractiveness. We calculate the average annual unemployment rate from 2018 to 2022, using data from the International Labour Organisation (ILO).

We apply a 5% weighting to this metric.

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RMB AFRICA FOOTPRINT

RMB is the gateway to corporate and investment banking (CIB) in Africa, with an extensive deal footprint in over 35 African countries. We facilitate trade and investment flows between Africa, the Middle East, Asia and Europe.



Legend
■ On the ground operations
■ RMB deal footprint

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