

Africa offers business opportunities

According to the World Bank, foreign direct investment (FDI) in Africa hit a record \$60bn by the middle of this year. Yet, many multinational companies looking to expand across the continent are still wary of doing business in Africa because of its well-publicised challenges.

Louise Robinson, MD of Database 360, says this is partly the result of political instability; endemic corruption; and regulations that have been loose, difficult to follow or constantly changing. However, this does not paint the whole picture.

"Doing business in Africa has its challenges but it offers far bigger opportunities than drawbacks. On average, the continent's economies will grow 4.5% in 2015 and 5% in 2016, according to the 2015 'African Economic Outlook' report by the Organization for Economic Co-operation and Development, the African Development Bank (ADB) and the United Nations Development Programme. The report predicts that private investment from abroad will grow to \$55.2bn this year, more than 10% higher than last year.



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"The challenges of doing business in Africa start with the fact that it is a large continent, with many different cultures, languages and attitudes. Many Western investors find themselves daunted by the number of cultural, political and organisational differences across the region. This makes them reluctant to even try going into one African country, and yet, it is relatively easy to circumnavigate the African business environment with the assistance of a specialist consultancy - and much more difficult without it.

"Finding the right strategy in Africa can be tricky. What is required is not simply money, but the ability to reach the right customers, in the right way. In addition, The African Economic Outlook Report indicates that administrative procedures for opening and running a business and business running costs stood out as factors most likely to discourage investment.

"Over and above various cultural and language barriers, which are very important in successfully doing business in Africa, each country has its own specific requirements and needs in terms of legislation and other fundamental factors. A consultancy that specialises in the African business environment will not only help identify these within each target market but also help define and identify the target market. It is by virtue of the years of experience and knowledge that a consultancy is able to smooth the process of entering emerging markets - especially those in Africa.

"The company has over a decade worth of experience in bridging the gap between investor organisations from the developed world and emerging markets in Africa. With a foothold on the continent and an excellent understanding of all of the factors relevant to doing business in this complex environment, it provides a consulting service that specialises in offering marketing strategies and reliable data - helping businesses reach the right audience in an environment where information is normally hard to come by.

"Offering intimate knowledge of the operating environment in each country, as well as on-the-ground advice to help navigate the growth prospects, as well as the challenges Africa offers, the company ensures international companies looking to grow on the continent use the right mix of good business practices and innovative approaches to capitalise on new market opportunities.

"As with business anywhere, networking in Africa is vital. Getting to the right people will make or break any business opportunity, because making a sale is reliant on relationships. The company opens the doors to those relationships, while offering solid business and marketing advice for each country," concludes Robinson.

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