

African investment confidence reaping rewards

Africa is ready to absorb more investments. The risk perceptions from the continent, while high, are often exaggerated. And they do not often match what data shows and return performance on investment. A Moody's investment service report on project bank loans financed between 1983 and 2016, shows that Africa has one of the lowest project default rates in the whole world.



Akinwumi Adesina

“This is much, much lower than Latin America, Asia, Eastern Europe, North America and Oceania. Yet, investments are tilted to regions with much higher default rates. So it’s not about real risks or other passive risks,” said Akinwumi Adesina, president of the African Development Bank, at the second Africa Investment Forum, taking place in Sandton, Johannesburg.

During last year’s gathering, the forum secured investment interests for deals valued at \$37bn in less than 72 hours.

“A lot of progress is being made with a highly dedicated team of partners working around the clock to accelerate the financial closure of investments,” he said.

Among these was the \$500m Africa Infrastructure Investment Fund and \$175m for the Capital Guarantee Fund for Investors. In South Africa, the beef agro-processing project sought and secured \$300m.

“The Alicia Identity Fund, a private equity fund targeting women businesses, sought \$72m – it was secured,” he said.

Among the many successfully rolled out projects was the Mara Phone factories in South Africa and Rwanda.

More than a talk shop

“The Africa Investment Forum is not a talk shop. We deliver on concrete transactions. Our teams are working hard and on target to reach financial close of several investments before the end of their year. We promise, we deliver,” he said.

“[At] this forum we focus on changing the investment narrative for Africa - not for others, but itself. Africa has repositioned itself, Africa is harnessing investor interest and investments. If you can dream it, we can deliver it. I am delighted that we have a euphoria of potential investors from Africa and outside of Africa.”

He said the continent needed to do more to on synthetic synchronisation to trans-service on assets to the private sector and balance short-term and long-term risks on profiles.

“We look forward to getting more institutional investors with bankable projects. Africa is offers an incredibly compelling investment case. Africa can no longer be ignored,” he said.

The African Development Bank, he said, is more than ever geared up to help grow investment in the continent.

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