

# Africa gains prominence in Global Retail Development Index 2019

A.T. Kearney's bi-annual [Global Retail Development Index](#) highlights the rise of African countries in the global retail context, with Ghana and Senegal securing spots in the top 10 on the index.



Credit: Getty

## What's shaping global retail growth?

The Global Retail Development Index reveals that economic development and trade policy remain the largest factors in shaping retail growth in consumer markets. While social media and e-commerce fuel the evolution of global consumers, national, regional and local realities, such as internet connectivity and the availability and cost of labour, continue to shape retail development globally.

The study of the global retailing landscape also revealed that South African retailers Pick 'n Pay and Massmart Holdings are expanding into African retail markets, particularly Ghana which is now ranked as the top African country on the index.

Retailers, consumer goods manufacturers, and international service providers look to the GRDI as a source for understanding which economies are growing, stagnant or declining, and why. The 2019 GRDI ranks 30 developing countries – selected from a list of 200 nations – based on three criteria: achieving a 'Country Risk' score above 35; having a population of at least five million and enjoying a per capita GDP of more than \$3,000.



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## Arrival of the Middle East and Africa

A key theme in this year's findings is the 'Arrival of the Middle East and Africa' – 10 of the top 30 countries fall into this bucket, suggesting that emerging economies are maturing, and the next wave of retail development and growth will certainly be in the broader region.

Driven by government-led economic reforms, a large and digitally connected youth consumer segment, and growing purchasing power, economies in the region have made significant gains in A.T. Kearney's rankings and have caught the attention of leading retailers.

In addition to local retailers investing in-country, many regional and international retailers are investing in both brick-and-mortar and digital across these markets.



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## Key findings from the MEA region:

- Africa has shown considerable growth and improvement, with seven African countries now ranked in top 30 in the Index. Apart from Ghana, which is now ranked in 4th place for the first time on the index, other notable countries include Senegal, Morocco, Tunisia, Egypt, Tanzania and Nigeria.
- Ghana is Africa's new 'bright spot' driven by increased foreign and public investment as well as urbanisation of the population. Department stores/shopping store space is set to grow by 15% per year and many international retailers are taking notice.
- Egypt (debut on A.T. Kearney's GRDI) has seen retail sector growth of 25% between 2017-18 on the back of economic and fiscal reforms and is 'open' for business, as many regional and international retailers are aggressively entering the market and transforming the landscape from traditional to modern trade.

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