

Africa's business confidence increases

The Young Presidents' Organisation's (YPO) *Global Pulse* confidence index for Africa increased sharply in the fourth quarter of last year, adding 6.4 points and more than making up for ground lost in the previous quarter.



At 67.6, Africa's business confidence is the highest in the world; the global composite index weighed in at 61.3. On a quarterly basis, the African region has consistently topped the global reading in all but one quarter since the inception of the survey in July 2009.

While a dozen countries are included in the survey for Africa, movements in the region were dominated by developments in SA, which has the highest weighting in the region's index. CEO confidence in SA dipped in the third quarter to 61.3, but rebounded in the current survey to reach 68.0.

The survey results were announced on Wednesday (6 February) by the YPO, a not-for-profit global network of 20,000 CEOs.

The *YPO Global Pulse* is the only economic sentiment survey to span the globe on a quarterly basis, capturing answers from more than 2,400 CEOs representing companies of all sizes around the world.

The YPO sales confidence index for Africa made a dramatic comeback in the January survey, advancing 6.3 points to 76.0 and ranking first among all nine regions in the survey. This is the highest reading for the African region since YPO began tracking business confidence and exceeds the global composite index by 8.1 points.

A whopping 81% of African CEOs expected sales to grow by more than 10% in 2013, and fewer than 2% expected sales declines.

Fixed investment netted healthy gains. African CEOs' plans to boost capital spending, driving up the fixed investment component of the index by 6.1 points to 67.9, the highest in the world.

Employee count is predicted to climb at a slower pace.

While the employment component of the Africa index did not rise as sharply as the sales or fixed investment components, at 61.5 it is nevertheless at a robust level and the highest of the nine reporting regions around the world. This indicates that business leaders in Africa have plans to create jobs in 2013, although at a more moderate pace than the expected increases in revenues and capital spending.

"Africa is benefiting from strong global demand for its natural resources and large inflows of foreign direct investment," said Khutso Mampeule, chairman of SA-based Lefa Group Holdings, the chairman of YPO's Africa Region and a member of the YPO Johannesburg Chapter.

"The January *Global Pulse* shows that YPO members in Africa have confidence in their ability to take advantage of the opportunities before them," Mampeule said.

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