

## Africa is open for business

Despite the Covid-19 pandemic, investment opportunities still abound in Africa. Global markets are shifting to South Asia and Africa. "In a sense, Africa is not very far for Asian investors who might be interested in the investment opportunities on the continent," said Tetsushi Sonobe, deputy director of the Asian Development Bank Institute (ADBI), at the presentation of the African Development Bank's (AfDB's) [African Economic Outlook Supplement](#) to Asian audiences



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Around 350 participants attended the virtual event, which was co-hosted by the Asia External Representation Office of the African Development Bank. The audience included government officials, representatives from the African diplomatic corps in Asia, development professionals, representatives of civil society, academia and think tanks, students, journalists, and the general public

Sonobe observed that Africa's GDP growth is projected to quickly rebound in 2021 following steady growth before Covid-19.

He identified some of the potential opportunities highlighted in the report: "A large market with a very talented youthful population; a three-trillion-dollar market opportunity through the African Continental Free Trade Area (AfCFTA) agreements; greater manufacturing potential as low-cost manufacturing opportunities continue to move to Africa; improved business environment; and improving macroeconomic governance."

### No one-size-fits-all solutions

Khaled Sherif, AfDB's vice president for regional development, integration and business delivery said despite the pandemic affecting all African economies, its magnitude will vary considerably from country to country, depending on the economic characteristics and initial conditions of the countries.

"This urges us to avoid the one-size-fits-all solution to address the effects of Covid-19 in Africa. For that, the AEO Supplement notes that the continent will need the support and expertise of all. This is an opportunity to enrich the debate on what appropriate measures are needed to support African countries to recover from the pandemic, drawing particularly from Asian experience," he said.

The policy recommendations of the supplement could be regarded as important opportunities for investments. Participants also observed that although Africa is human-resource-rich, Africa will need to work on closing its infrastructure gap – an issue the AfDB has made one of its top priorities.

The African Economic Outlook Supplement underlines the urgency to build the resilience of Africa's healthcare systems and economies to improve countries' preparedness for future shocks. This means the African countries will need to rethink their current development strategies and priorities, which have clearly shown their limitations.

"Policymakers must seize the new and real opportunities for participation in global value chains, particularly with Asia and within Africa and build the infrastructure needed to encourage large-scale teleworking, e-health, and distance learning architectures for a rapid, resilient, and sustainable recovery in a post-Covid-19 digital world," said Chuku Chuku, officer in charge of the bank's macroeconomic policy, debt sustainability and forecasting division.

"The pandemic notwithstanding, Africa is open to business and we look forward to working with our Asian partners."

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