

SA should be hub of foreign African investment

SA is uniquely placed to be the hub of foreign investment into sub-Saharan Africa according to Brand SA CEO, Miller Mathola.

By [Khulekani Magubane](#) 2 Aug 2012

Mathola added that foreign investments were expanding beyond resource extraction to other sectors including telecommunications and financial services and the sub-Saharan region stood to benefit after experiencing economic growth of 5.9% excluding SA.

Mathola addressed the Frontier Advisory Africa Risk Conference at the Johannesburg Stock Exchange on Wednesday, adding that SA needed to leverage itself for a role in the frontier of African investment as a Brics member.

"South African business and government are working together to put our effort and money where are more for investment. Over the last decade SA has been the leading foreign direct investor in Africa's assets

"Our business sector also has a strong track record of developing innovations suitable for African markets areas such as banking, financial services, telecoms, ICT infrastructure retail and mining," Mathola said.

He added that SA's relatively slow economic growth on the continent was a concern and that the performance of trade partners in Europe had an effect on SA's growth.

CEO of Frontier Advisory Martyn Davies said joining Brics was a great international success of SA's Zuma administration and that entry into the emerging markets group should serve as an opportunity for other countries in the Sadc region.

"We can best leverage our position by working to make sure the S in Brics becomes Sadc instead of SA. We are in Brics by default of being an emerging market in Africa but Sadc as a region is bigger than some of the other Brics states," he said.

Davies also said that a connection between the state and the business sector was needed to maximise Africa's opportunities as well as sound policies on trade and infrastructure integration.

Mathola said in order to encourage growth and mitigate risks it was important for SA government initiatives support local participation in the economies.

Head of Africa at the World Economic Forum and Harvard University master of public administration Katherine Tweedie said given macro economic risks, emerging markets were "no longer the panacea for growth and returns".

"We have a difficult situation for policy makers and business leaders, with incredible uncertainty. The traditional fiscal mechanisms that we could usually deploy are no longer working," she said.

Tweedie said risks presented opportunities and that it was important that the sub-Saharan region position itself to be a winner in "the new normal" of economic growth.

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