

Private equity opportunities in African currency devaluation

Recent currency devaluations on the continent could create an opportunity for African manufacturers according to African investment experts, RisCura.

Import substitution has been a significant part of Africa's economic growth and while there are many products that could be examined to identify private equity opportunities, RisCura focused specifically on those in African countries where more than 20% currency devaluation has taken place over the last 18 months, drawing, as well, on RisCura's [Bright Africa research](#).

The three main opportunities identified are petroleum, primary agriculture, and packaging.

3 Private equity opportunities in African manufacturing

Currency devaluation on the continent could have positive outcomes



While infrastructure is on the up, it is the biggest challenge

Source: RisCura's Bright Africa research (www.riscura.com/BrightAfrica).
Findings based on African countries that experienced currency devaluation of more than 20% in the last 18 months.
Visit www.riscura.com/press-room/currency-devaluation-opportunities/ for the full article. [@BrightAfrica_](#)

Although structural issues are not entirely widespread, they are still among the biggest complications facing African manufacturing. Building new refineries would be the only way to seize opportunities in petroleum. In primary agriculture, there have been successful private equity investments in the downstream processing of these products, illustrating growth potential.

Despite oversupplied international milk markets, data provider, BMI, predicts that growth in demand will outstrip growth in supply in dairy, as well as meat for the foreseeable future in key markets. The devaluation of currencies should, therefore, open doors, but patience is the game as it takes time to develop this sector, but could support private equity's time horizon.

Packaging is possibly the most suitable for private equity, provided the local industry can overcome structural issues in order to manufacture high-quality packaging. Shrewd investors who truly understand African risk, and its potential longer-term rewards, could do well in manufacturing on the continent.

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