

Judging by the growth of economic activity in many parts of Africa, it can be said that a silent but momentous change is under way on the continent, writes **Sigi Osagie**.

A rising Africa!

TROUBLES IN LIBYA, TUNISIA, Egypt, Algeria, Morocco and who knows where next? The wave of unrest and civil uprisings that has swept across North Africa and the Middle East is a clear message from the mass populace that it is time for change.

The frustration most African citizens feel is a direct result of leadership failure across the continent. For decades, Africa's development has been hampered by ineffective leadership and endemic kleptocracy. As a result, the continent's immense potential has remained largely untapped, certainly since the end of colonialism.

However, the unrest in North Africa is the latest indication of a turning tide in Africa. Earlier signs are easy to spot if one looks closely enough. Countries like Egypt and Morocco have enjoyed the economic benefits of established apparel manufacturing and tourism sectors for a while.

More recently, a few other African states have joined a slowly expanding group of regional countries making great strides in improving political stability and economic development – countries like Ghana, Lesotho, Botswana and Senegal, where economic and industrial development has evolved considerably in areas as diverse as property, hospitality, tourism, banking, ICT and call-centre outsourcing.

The advantages in structural development that such African countries are starting to enjoy are sometimes astounding. Ghana's capital Accra's skyline, for example, is now proliferated by swanky skyscrapers and impressive architectural creations, serviced by an ever-improving utilities infrastructure. Electricity in Ghana is taken for granted these days, a far cry

from the situation just 20 years ago when many Ghanaians still flocked to countries like South Africa and Nigeria for a better life. Now it's the Nigerians who are heading to Ghana!

Yet, even in Nigeria, the erstwhile "Giant of Africa" that has been blighted by corruption and fraudulent practices since the late 1980s, similar improvements can be seen. Commercial banking infrastructure in Nigeria is quietly but rapidly catching up with standards in Western countries. Today a bank in Nigeria can send a text message notification to your mobile phone the instant a payment is made into your account; neither Barclays, NatWest or HSBC do that in England.

Savvy capital investors have obviously spotted the development trend in Africa and the financial benefits this can yield. The level of foreign direct investment has grown astronomically, as investors continue to seek new high-yield markets to counter the effects of mature Western economies.

Although concerns over security, fraud and infrastructure reliability remain in Africa, investors judge the benefits of their investment returns to outweigh the risks of doing business in Africa.

Investment returns in many African countries far exceed what is achievable elsewhere, even in other emerging markets. Ghana's stock exchange had the best performing index worldwide in 2008 and has been a top performing index in emerging stock markets for several years.

Such economic growth, coupled with noticeable improvements in infrastructure, is fuelling a change in the social landscape of many African countries.

Most significant is the emergence of a growing cadre of well-educated indigenous

African Development Bank president, Donald Kaberuka, has been speaking on the economic prospects of Africa. "We may be witnessing the awakening of a sleeping giant – the world's richest continent," adds Sigi Osagie

professionals, many of whom are graduates of Western universities, with years of working experience in the Western business world. They are Africa's new middle-class. And the contribution they are making to the continuing development of Africa can not be overemphasised.

These are the professionals and senior executives now running the local operations of Western multinationals with a strong presence on the continent, and many successful indigenous businesses. Increasingly, many such individuals opt to work for thriving indigenous businesses; companies that are doing so well as to gain recognition even in international money markets.

Oando Nigeria is a prime example; an indigenous oil and gas business that successfully raised capital in international markets to fund its audacious acquisition of Agip's local operations in 2002.

MTN, a Johannesburg-listed telecoms



“Investment returns in many African countries far exceed what is achievable elsewhere, even in other emerging markets.”

operator, is another relevant African business playing a leading role in shaping the structure of its sector, and reaping the huge benefits of the boom in mobile telecoms.

The growth of commercial business activity in Africa over the last decade or two is phenomenal. And the expanding influence of African companies in these profitable ventures is impressive and commendable, spanning sectors historically dominated by foreign interests, such as telecoms, pharmaceuticals, ICT, natural resources, logistics and business services.

Importantly, while some successful African companies are locally-controlled businesses with foreign equity ownership, such as South Africa's Vodacom, many are home-grown enterprises wholly-owned by indigenous parties.

Of course, a market economy has not yet fully evolved in Africa. The unique

social issues and enduring problems of corruption and under-developed infrastructure remain key hindrances – issues that many African governments continue to fail to address robustly.

However, what is interesting to note about the surge of economic and industrial growth in Africa is that most national governments have ceased to be the instigators and custodians of economic and social development.

However, African governments are not entirely asleep on the job. The efforts to tackle corruption and mismanagement, and institutionalise effective governance, are laudable. Even countries with entrenched notoriety, like Sierra Leone and Nigeria, seem to be making headway. Admittedly, in some cases the results are yet to be seen.

Another noteworthy indicator is the substantial increase in economic and financial stimulus packages to incentivise

business investment, such as the creation of numerous export processing zones in Africa to attract foreign investment.

Whatever the outcomes of the ongoing unrest in North Africa, it is clear that Africa is undergoing a change. It may take a while yet to fully unfold. But, judging by the growth of economic activity in many parts of the continent, the change has definitely started.

We may be witnessing the awakening of a sleeping giant – the world's richest continent. In addition to its vast natural resources, Africa is populated by a highly skilled and educated workforce, fluent in two key languages of business – English and French. And the people are hungry, not for food or aid, but for opportunities; opportunities to stand on their own feet and fend for themselves.

The timing could not be more fortuitous. The unending search for competitive product margins by Western manufacturers drives the demand for low-cost labour locations. After the move into Latin America many years ago, and more recently into Eastern Europe, the Indian subcontinent and the Far East, it seems that the obvious next port of call is Africa.

Africa could provide everything that India and China currently do for low-cost labour activities, spanning all manner of offshoring and outsourcing.

Tony Blair and George Bush, the previous leaders of Britain and the USA, respectively, did a lot to put Africa on the world stage. African countries demonstrated their desire for a fairer playing ground in global trade and macroeconomic considerations at recent WTO sessions.

Those efforts were largely fruitless for the man on the street in Africa. However, considering the surge in business activity across the continent now, the benefits may be starting to come through.

Coupled together, all these factors are repositioning Africa on the global stage. It is already the place to be for many Western investors, and yet more continue to head over there.

The drive from within by indigenous peoples and the commercial success being achieved may be the first signs that the gong is about to sound, signalling Africa's time. We may well be witnessing the dawn of an African Renaissance. ■NA