

Growth in Africa Extends Beyond World Cup | Alroya

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Today more eyes from around the world are focused on Africa than ever before, as South Africa hosts the World Cup.

Although the excitement and attention Africa has received may not extend beyond July 11, Africa has been and still is a land of opportunity with a bright future that will remain long after the glory of the Cup fades. Second to Asia, Africa is the world's largest and most populous continent and leaders from all over the world have been examining Africa long before the Cup.

The United States, China, India, Brazil and many countries from the European Union are investing in, trading and researching the continent's most promising of markets. Even though many of these countries have been involved in trading with Africa for some time, the prospect for growth is staggering.

During a recent Diplomacy Briefing Series on Sub-Saharan Africa given June 14th, 2010, Secretary of State Hillary Clinton stated that the U.S. wants to build a relationship with Africa not based on patronage, but on partnership. This mindset would benefit all trading partners and investors who are recognizing the rise of African governments increasing presence on the world stage.

Africa is located close to the two Asian powers, India and China, neither of which have shied away from investing with Africa. For example, since India set up trade with South Africa in 1993, their trade volume has grown from 93 million dollars per year to 4.5 billion dollars in 2009. Taking advantage of this progress, South African President Jacob Zuma visited India with a goal of increasing interaction to 10 billion dollars of bilateral trade by the year 2012.

This may be a difficult goal to achieve, but Zuma looks ahead to a large increase in value-added trade between the two countries. Indian car companies Tata Motors and Mahindra & Mahindra have both recently launched new vehicles in South Africa's motor industry. Other goods, such as information and communications technology, energy and pharmaceuticals are expected to help continue the increasing trade.

In another effort to grow this relationship, India launched a "Focus: Africa" program in 2002 to promote relations with African countries. During the Focus Africa program, 500 Indian farmers were sent to East Africa to cultivate land in the East African nations, mainly in Kenya and Uganda. It was seen as a way for Indian farmers to utilize their knowledge on valuable farm land, which was hard to come by in India. Now the gates are open for Indian farmers and corporations alike to lease land in Africa. Countries with the most significant opportunities include Ethiopia, Congo, Ghana, Liberia, Malawi, Uganda, Kenya and Rwanda. African countries have been fairly receptive to Indian businesses because they create jobs that allow the community to grow.

In addition to India, China sees Africa as a land that can help facilitate the ever changing Chinese economy. In 2007, China pledged \$20 billion dollars towards trade and infrastructure over the next three years. Together, Angola and Sudan supply China with a third of its oil and a significant amount of other natural resources. China is experiencing a large growth in its middle class, which is expected to grow from 80 million people in 2007 to 700 million people by the year 2020.

This burgeoning middle class will experience increases in purchasing power, and require businesses in China to meet their needs. China may need to rely on Africa more than they have in the past. Growth in China is occurring outside the largest cities where more building needs to occur, which will likely cause China to look to Africa to fulfill their natural resource needs.

“There’s no reason why African countries with all of these resources cannot be so much richer,” Clinton said at the diplomacy series.

Africa has a diverse range of countries that want their goods. The increase of capital that India and China have invested into Africa in the past decade has decreased Africa’s reliance on North America and The European Union, thus making Africa’s success less correlated to any single country.

It certainly seems as if African countries have the resources and ability to become richer. The task of realizing this potential, however, seems daunting when considering some of the obstacles that Africa faces: trade between countries within Africa, corruption, and poverty.

Yet these obstacles are much more manageable when global forces from all over the world rely on Africa to progress in years to come. The people of Africa will play a crucial role in deciding how far their continent will progress, and by then the rest of the world may be watching.

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