

African Countries of the Future 2011/12

Winners

SOUTH AFRICA HAS BEEN KNOCKED OFF THE TOP SPOT THIS YEAR WITH MOROCCO AWARDED THE AFRICAN COUNTRY OF THE FUTURE 2011/12. **JACQUELINE WALLS** REPORTS ON THE LEADING PERFORMERS ACROSS THE AFRICAN CONTINENT.



Morocco has climbed from third position in the 2009/2010 ranking to become the top African Country of the Future 2011/12. South Africa was placed second, followed closely by Mauritius in third.

Morocco's success in claiming the top position in the 2011/12 ranking is partly down to its success in attracting FDI projects. According to the specialist FDI database, **fDi** Markets, the number of FDI projects into both South Africa and Egypt (positioned first and second in the 2009/2010 ranking) declined, whereas the number of FDI projects into Morocco was up 8% in 2010 – one of few countries in the region to experience an increase in the number of FDI projects in 2010.

Morocco was also awarded the top position in the Infrastructure and FDI Strategy categories.

South Africa dropped to second position in this year's ranking, but despite witnessing a 13% decline in the number of FDI projects into the country in 2010, the latest figures released by **fDi** Markets confirm that South Africa remains the number one destination country for FDI into the region between January and May 2011.

South Africa ranked in the top three of various categories including: Economic Potential, Infrastructure, Human Resources, Business Friendliness and FDI Strategy.

Mauritius overtakes Egypt

Egypt fell from second position to fourth overall in the 2011/12 ranking. According to **fDi** Markets the country experienced a 30% decline in FDI projects in 2010 and is struggling to recover, attracting only 16 FDI projects between January and May 2011. Despite this decline, Egypt ranked top in the Economic Potential category, primarily due to the number of mega FDI projects locating in Egypt in comparison with other African countries since 2003.

Mauritius moved up the ranking, climbing from fourth position to third overall in the 2011/12 ranking. Mauritius was awarded the top position in the Quality of Life category, climbing from fourth in this category in 2009/10.

fDi's independent judging panel were impressed by the FDI Strategy submitted by Morocco and so awarded the country the top position in this category. It was followed closely by Mauritius in second, with South Africa, Ghana and Ethiopia completing the top five.

In the ranking, which took more than four months to compile and involved data collection from 59 countries, Rwanda was awarded the top position in regard to Cost Effectiveness, followed by Namibia and Zambia in second and third positions, respectively.

REGIONS

AFRICAN COUNTRIES OF THE FUTURE

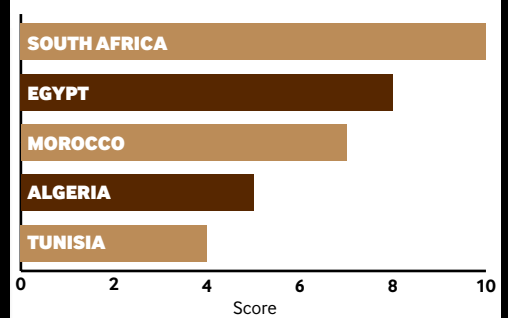
BEST OVERALL

RANK	COUNTRY
1	Morocco
2	South Africa
3	Mauritius
4	Egypt
5	Ghana
6	Seychelles
7	Tunisia
8	Namibia
9	Ethiopia
10	Kenya

BEST ECONOMIC POTENTIAL

RANK	COUNTRY
1	Egypt
2	South Africa
3	Morocco
4	Nigeria
5	Algeria
6	Uganda
7	Angola
8	Libya
9	Tunisia
10	Ghana

MOST INWARD FDI PROJECTS



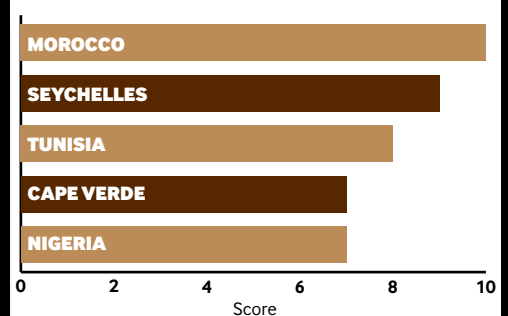
BEST INFRASTRUCTURE

RANK	COUNTRY
1	Morocco
2	Egypt
3	Nigeria
4	Tunisia
5	Cape Verde
6	Seychelles
7	Réunion (department of France)
8	Algeria
9	Mauritius
10	Kenya

BEST BUSINESS FRIENDLINESS

RANK	COUNTRY
1	Réunion (dept of France)
2	South Africa
3	Egypt
4	Tunisia
5	Mauritius
6	Ghana
7	Rwanda
8	Botswana
9	Morocco
10	Cape Verde

INTERNET USERS, PER CAPITA



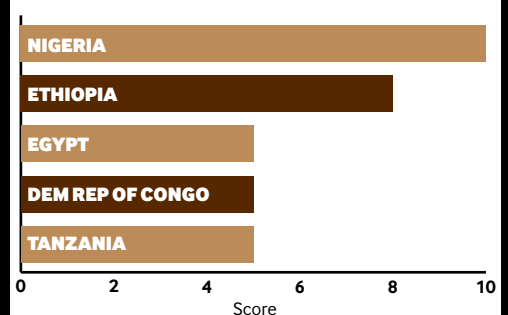
BEST FOR QUALITY OF LIFE

RANK	COUNTRY
1	Mauritius
2	Mayotte (territory of France)
3	Tunisia
4	Seychelles
5	Réunion (department of France)
6	Egypt
7	Morocco
8	Saint Helena (territory of the UK)
9	Botswana
10	South Africa

BEST FDI STRATEGY

RANK	COUNTRY
1	Morocco
2	Mauritius
3	South Africa
4	Ghana
5	Ethiopia
6	Kenya
7	Namibia
8	Seychelles
8	Saint Helena (territory of the UK)
10	Swaziland

LABOUR FORCE



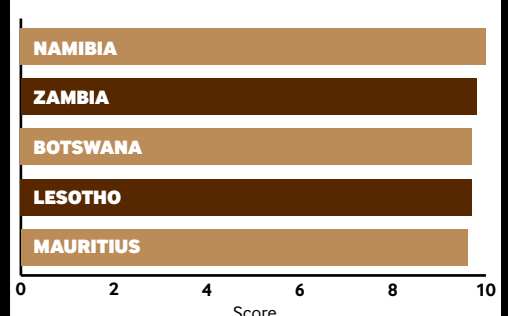
BEST HUMAN RESOURCES

RANK	COUNTRY
1	Egypt
2	South Africa
3	Algeria
4	Morocco
5	Nigeria
6	Libya
7	Tunisia
8	Kenya
9	Mauritius
10	Tanzania

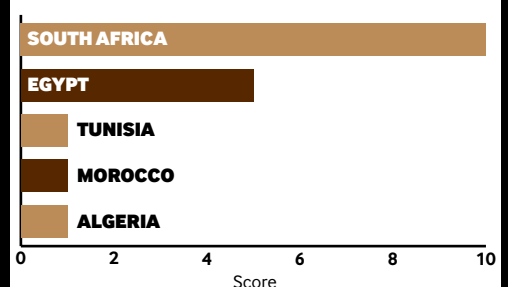
BEST COST EFFECTIVENESS

RANK	COUNTRY
1	Rwanda
2	Namibia
3	Zambia
4	Ethiopia
5	São Tomé and Príncipe
6	Lesotho
7	Guinea-Bissau
8	Democratic Republic of Congo
9	Botswana
10	Ghana

TOTAL TAX RATE, % OF PROFIT



COMPANIES IN HIGH-TECH MANUFACTURING (2011)



JUDGING PANEL



STEPHEN HAYES
president, Corporate
Council on Africa



YVONNE MHANGO
economist,
Sub-Saharan Africa,
Renaissance Capital



LANRE AKINOLA
editor, This is Africa



OMARI ISSA
CEO, Investment
Climate Facility
for Africa



**DR JACQUELINE
CHIMHANZI**
Africa development
leader, Deloitte
Consulting South Africa



JACQUELINE WALLS
senior investment
analyst, fDi Intelligence

NOTES

fDi Markets is the only online database tracking crossborder greenfield investment covering all sectors and countries worldwide. It provides real-time monitoring of investment projects, capital investment and job creation with powerful tools to track and profile companies investing overseas. fDi Benchmark is

the only online tool to benchmark the investment attractiveness of countries and cities in more than 55 sectors.

Its comprehensive location data series covers the main cost and quality competitiveness indicators for more than 350 locations around the world.

The fDi Intelligence division now consists of: fDi

Magazine, fDi Markets, fDi Benchmark, fDi Atlas and fDi Reports.

fDi Intelligence compiled most of the data for the African Countries of the Future ranking, with the exception of the FDI Strategy. For this category information was submitted by individual countries and scored by fDi's independent judging panel.

METHODOLOGY

fDi's Countries of the Future shortlists are created by an independent collection of data by the fDi Intelligence division across 59 African countries. This information was set under six categories: Economic Potential,

Human Resources, Cost Effectiveness, Quality of Life, Infrastructure, and Business Friendliness. A seventh category was added to the scoring – FDI Strategy. In this category, 13 countries submitted details about their promotion strategy and this

was judged and scored by the independent judging panel.

Countries scored up to a maximum of 10 points under each individual criterion, which was weighted by importance to give the overall scores.

JUDGING CRITERIA

ECONOMIC POTENTIAL

- Population
 - Population growth rate
 - Unemployment rate
 - Gross domestic product (GDP) growth
 - GDP by purchasing power parity (PPP), per capita
 - GDP PPP, per capita forecast
 - Labour force
 - Number of outward FDI projects
 - Number of inward FDI projects
 - Growth in the number of outward FDI projects
 - Growth in the number of inward FDI projects
 - Number of mega FDI projects by capital expenditure
 - Number of mega FDI projects by jobs
 - Investor signals
 - Top 500 companies
 - Top 200 banks
 - Growth in imports
 - Growth in exports
- (Information collected by fDi Benchmark)*

COST EFFECTIVENESS

- Cost of registering property
 - Cost of dealing with construction permits
 - Total tax rate, percentage of profit
 - Office costs
 - Industrial costs
 - Minimum wage
 - Room rate for four-star hotel
 - PPP rate
- (Information collected by fDi Benchmark)*

HUMAN RESOURCES

- Labour force
 - Literacy rate
 - Number of universities
 - Secondary enrolment rate
 - Tertiary enrolment rate
 - Number of International Baccalaureate schools
 - School life expectancy
 - Top 100 universities and colleges
 - Education expenditure
- (Information collected by fDi Benchmark)*

QUALITY OF LIFE

- Benchmark's quality of life index
 - Prevalence HIV/AIDS
 - International arrivals
 - Country risk score
- (Information collected by fDi Benchmark)*

INFRASTRUCTURE

- Growth in internet users
 - Internet users, per capita
 - Telephone mainlines
 - Growth in telephone mainlines
 - Mobile phone subscribers, per capita
 - Growth in mobile phone subscribers
 - Number of international destinations served
 - Increase in the number of international destinations
 - Number of ports
- (Information collected by fDi Benchmark)*

BUSINESS FRIENDLINESS

- Number of jobs created by FDI
- Growth in the number of jobs created by FDI
- Number of days to start a business
- Hiring costs

- Firing costs
 - Ease of doing business index
 - Number of companies in high-tech manufacturing
 - Number of companies in high-tech services
 - Number of companies in the knowledge-based sector
 - Growth of high-tech manufacturing firms
 - Growth of high-tech services firms
 - Growth of knowledge-based firms
 - Overall growth in the number of companies
 - Perception of corruption
 - Change in the perception of corruption
 - Country risk score
 - Number of trade agreements
- (Information collected by fDi Benchmark)*

FDI PROMOTION STRATEGY

- Number of staff dedicated to promoting and facilitating inward investment, and systems or programmes in place to train staff and measure performance, both individually and organisation-wide.
 - Key initiatives implemented to attract more investment.
 - Information on high-growth sectors/sub-sectors that offer potential for inward investment.
 - Description of incentives available to inward investors.
 - Major infrastructure and urban planning projects.
 - The vision for achieving the location's full FDI potential and why it is a location of the future.
- (Information provided by countries and judged by our judging panel)*