



Press Release

Nedbank partners with NEPAD to bring insights about investing in Africa

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Johannesburg: Nedbank in partnership with the New Partnership for Africa's Development (NEPAD) Business Foundation hosted the second Nedbank-NEPAD Networking Forum to provide insight into the investment environment in Africa and how it should influence companies' growth strategies.

Addressing the forum was Elias Masilela, CEO of the Public Investment Corporation's (PIC), South Africa's largest asset manager. Masilela shared insights into the PIC's Africa expansion strategy launched this year, the rationale behind it, and the investment portfolio composition.

The PIC's investment strategy is generally regarded as a proxy indicator of the public sector's view of the market. The asset manager has investments in assets such as equities, fixed income, private equity and property. The assets and their composition reflect an important view for the future of the investment landscape in South Africa and in Africa. Changes to the investment composition or policy also reflect thoughts on the future of capital markets in South Africa and Africa.

"South Africa's growth depends on the development of the rest of the continent therefore it is important that we start looking at investment opportunities for South African businesses in the rest of the African continent," says Masilela. "This is why the PIC launched its Africa strategy."

Masilela says the continent has moved from hopeless to rising star boasting rapid growth, a stabilising political landscape, improved governance, and powerful demographic trends. "This is in addition to Africa being rich in natural resources. There's also a greater recognition for the need for regional cooperation."

Launched early this year, the Networking Forum brings together business leaders who gain insights from practitioners in the public and private sector about political-economic realities that affect African and South African businesses on the continent. The sessions provide decision makers with business intelligence that is used in formulating strategies for their organisations. The ultimate goal is to promote local and African commercial and investment activities.

The trading environment in which African businesses operate today has changed significantly. The economies of Europe, Africa's largest trading partner, are under significant pressure,

China's influence as the continent's single largest trading partner is on the rise, and the need for increased intra-Africa trading has become more pressing, given that intra-Africa trade is 12% of total trade.

Speaking at the inaugural Nedbank-NEPAD networking session in April which looked at the impact of the on-going Euro-zone crisis on business in Africa, Deputy Reserve Bank Governor Lesetja Kganyago highlighted the need for diversification into intra-African trade.

"The objective of the forum is to provide an in-depth understanding of political-economic nuances that companies need to understand, design strategy around and implement, if they intend to be successful in doing business on the continent," says Stanley Subramoney, Chairman at NEPAD Business Foundation. "This is by inviting those who have successfully navigated their way through the various challenges to businesses on the continent, and getting them to share their stories. But it does not end there. This forum is a platform that allows potential investment and commercial partners to find each other, a function the NEPAD Business Foundation stands for."

Mfundo Nkuhlu, Managing Executive for Nedbank Corporate, says the Nedbank-NEPAD Networking Forum fills a gap in the market for a platform where big business can interact and engage with public sector players in thought-provoking discussions on matters pertaining to doing business in Africa sustainably.

"As one of South Africa's four big banks, Nedbank has a long history of being a leading partner to businesses in South Africa and Africa. We have enabled many corporations to expand into new markets and are committed to helping them identify and exploit new opportunities," says Nkuhlu.

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