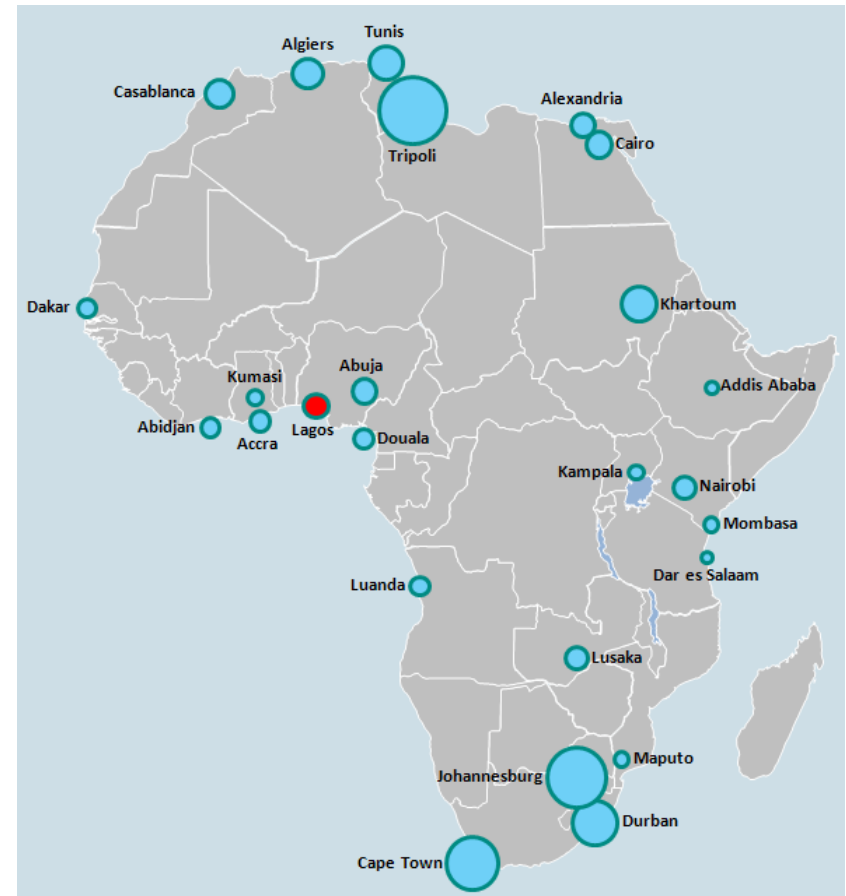


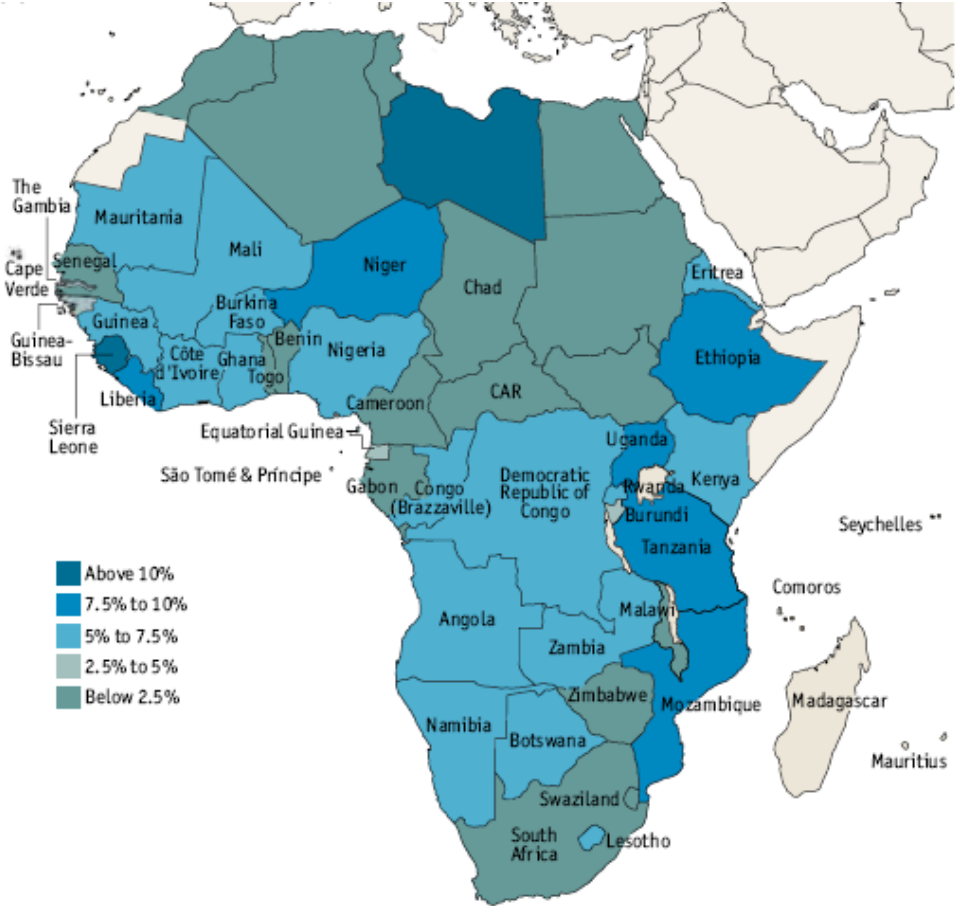
Africa Cities Rising

Prepared by: The Economist Intelligence Unit

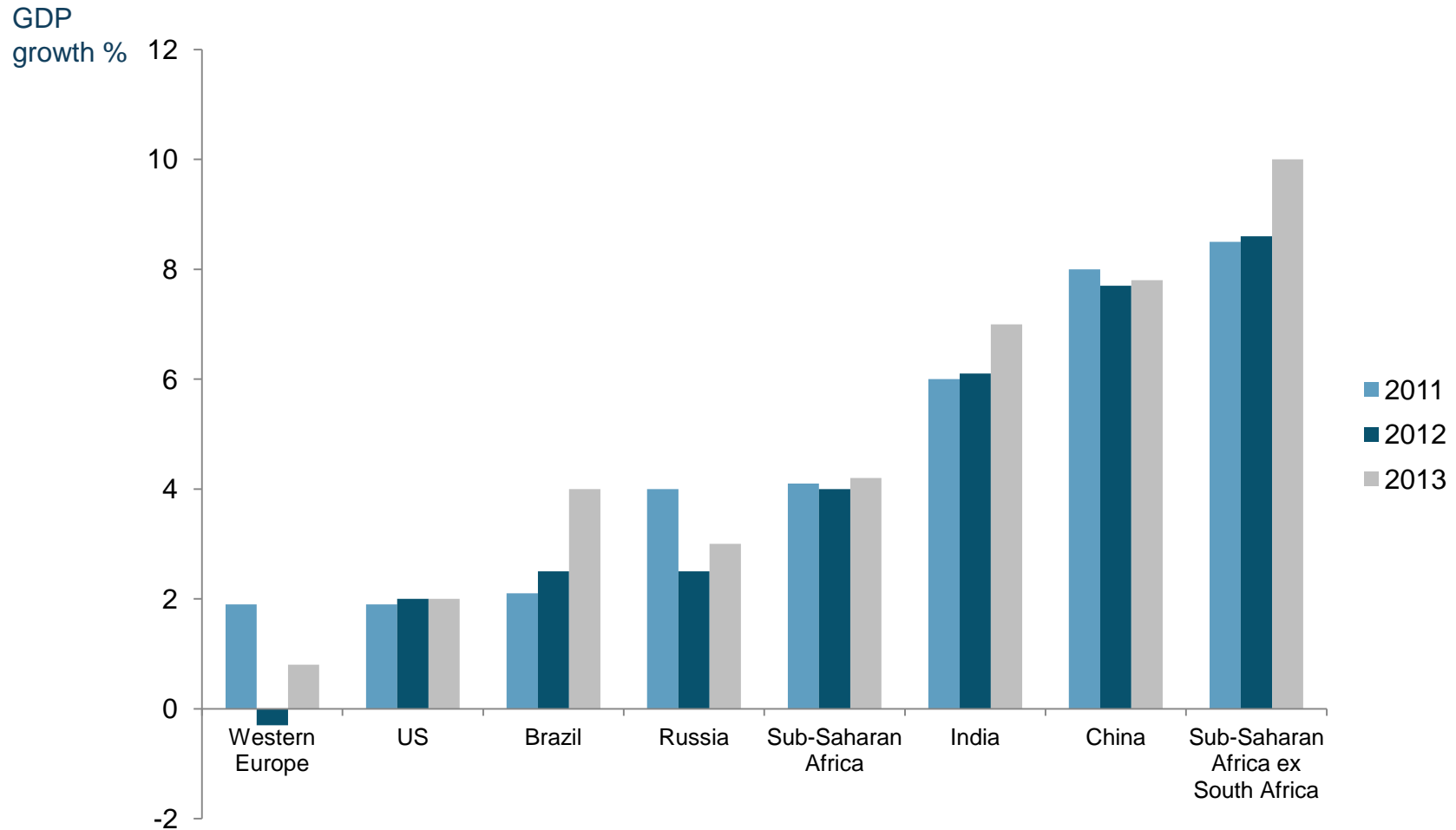


Africa's economy is growing fast

Real GDP growth (2012-2016 forecast) (%)



In 2013, 8 of the world's 20 fastest growing economies will be African



To date, Africa's growth story has revolved around commodities



But now, Africa's growth is becoming more diverse



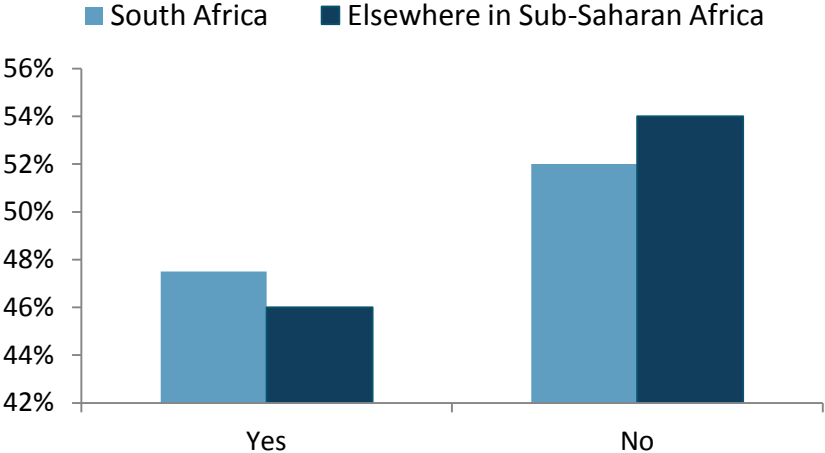
- **The 'peace dividend'** – After years of armed conflict and military rule, democracy is the latest wind of change sweeping across the continent
- **Urbanisation** - Half of all Africans are under 20, and are rapidly moving to cities: more than 40% of Africans now live in urban areas
- **Improved governance** – Greater accountability comes hand-in-hand with democracy and the slow strengthening of institutions
- **Trade, not aid** – Europe is still Africa's largest trading partner, but China's share of trade has exploded in the last decade
- **The rise of technology** – The number of mobile subscribers in Africa exceeded the 0.5 billion mark in 2010, allowing companies greater access to consumers
- **Infrastructure investment** – Chinese companies are building roads and upgrading railways, ports and airports



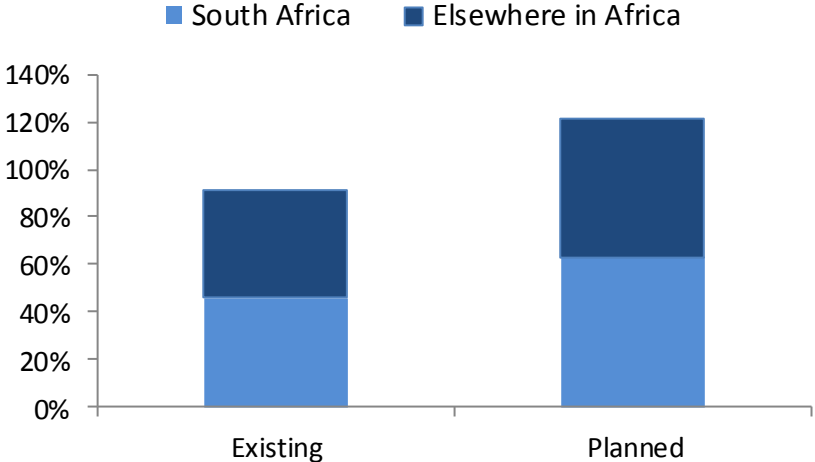
As a result, companies are more interested than ever in expanding into Africa

A recent survey conducted by The Economist Group of 217 global companies based in 45 countries revealed that expansion in Africa is a priority for two thirds of them within the next decade

Does your company operate in ...



Plans to expand in the next 3 to 5 years...



Even though challenges remain



Poor roads – and not enough of them

Changes in *Transparency International's* corruption rankings for African countries since 2005



25

23

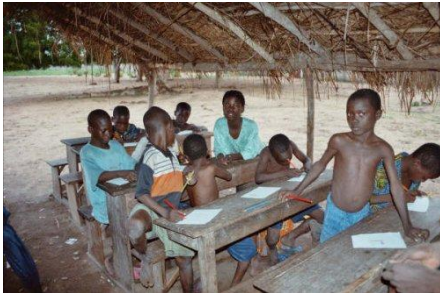
Bribery & corruption



Inefficient border posts



Inadequate railway networks



Poor skill base



Congested ports



Red tape



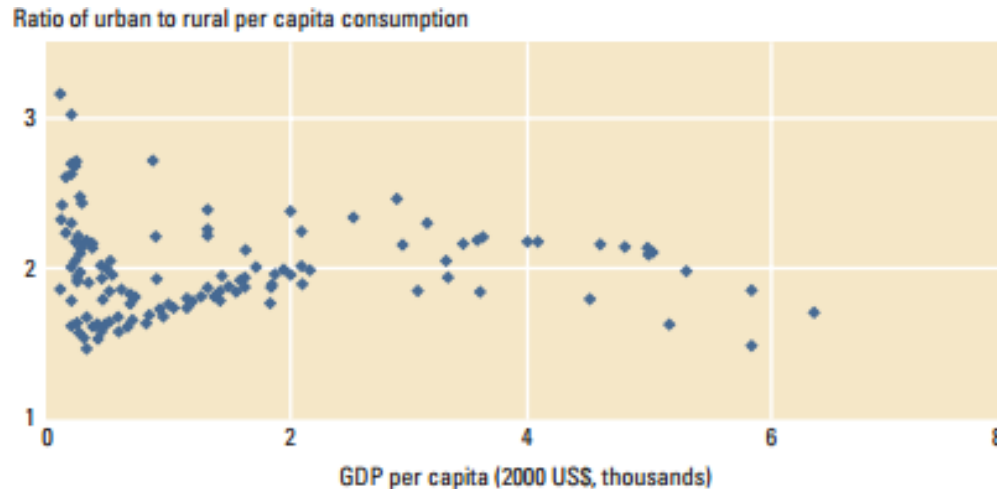
Uninviting airports

To expand, companies need Africa city-level data and analysis

Companies looking to expand into Africa want to concentrate their strategy where growth and demographics are most favourable – in major cities.

It is not enough to plan a strategy around nationally-forecasted growth, but rather to have critical forecasting and business information on a particular city.

Consumption in Africa is much greater in urban than rural areas



Source: World Bank

25 African cities present best opportunities for growth



Based on key economic drivers, client feedback and a survey of Economist Corporate Network members, the EIU identified 25 African cities (across 19 countries) that are of particular interest.

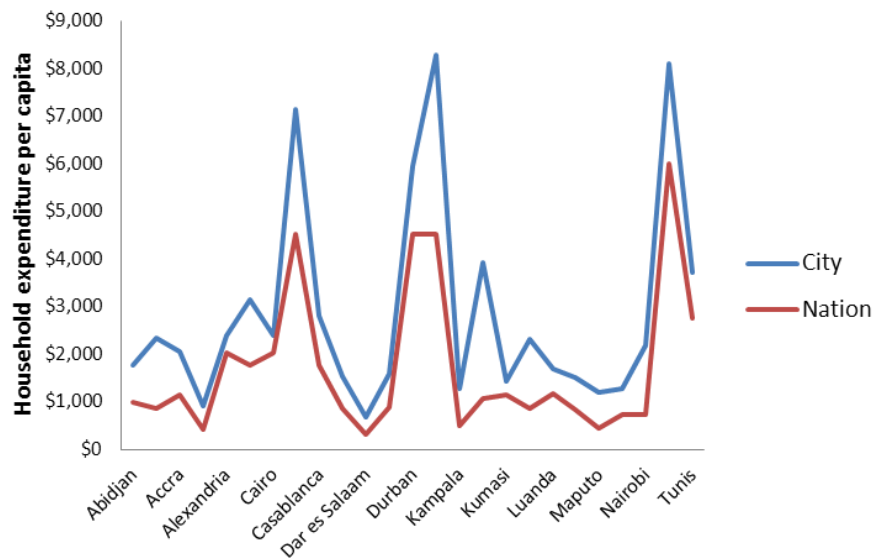
The EIU has collected and analysed the data needed to support the case, and strategy, for market entry.

Key results – Cities paint a much different picture than nations

- Per-capita expenditure was higher in each of the 25 cities, than in their respective nations.
- Citizens in cities spent 94.4% more, per capita, than their countrymen as a whole.

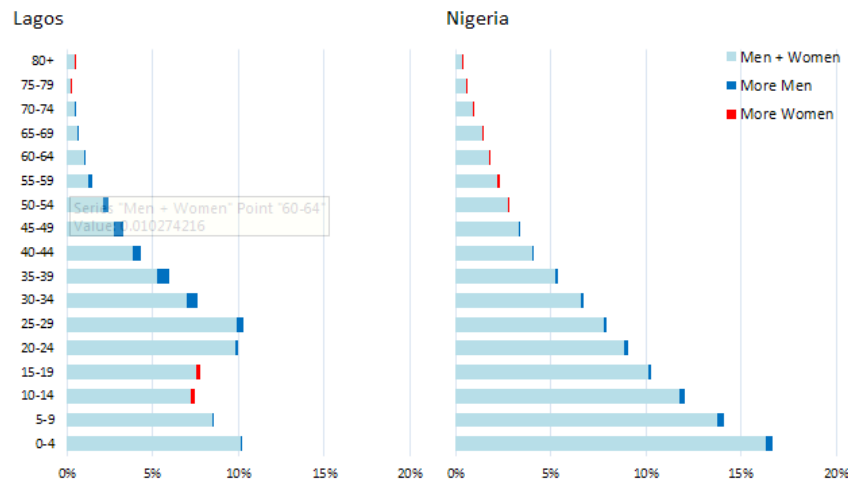
- Africa is urbanizing fast and cities are attracting more and more migrants.
- As a result we are witnessing the emergence of “super cities”- each bringing considerable opportunities.
- The demographic profile of these cities can be much different than the national level picture.

Per capita city-level expenditure v national-level expenditure



Demographic profile of Lagos v Nigeria

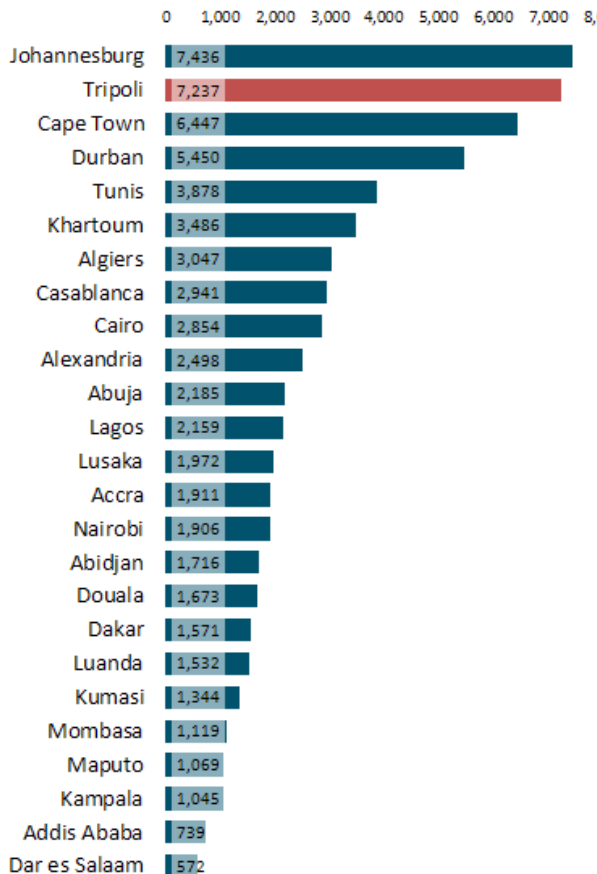
POPULATION PROFILE, 2012



Key results – Expenditure per capita differs markedly across cities

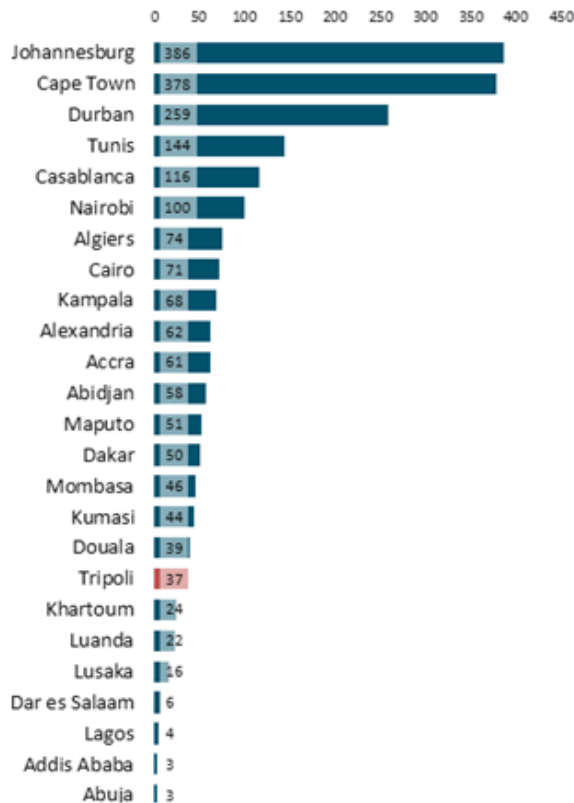
Total (all items)

Expenditure, US\$ / capita



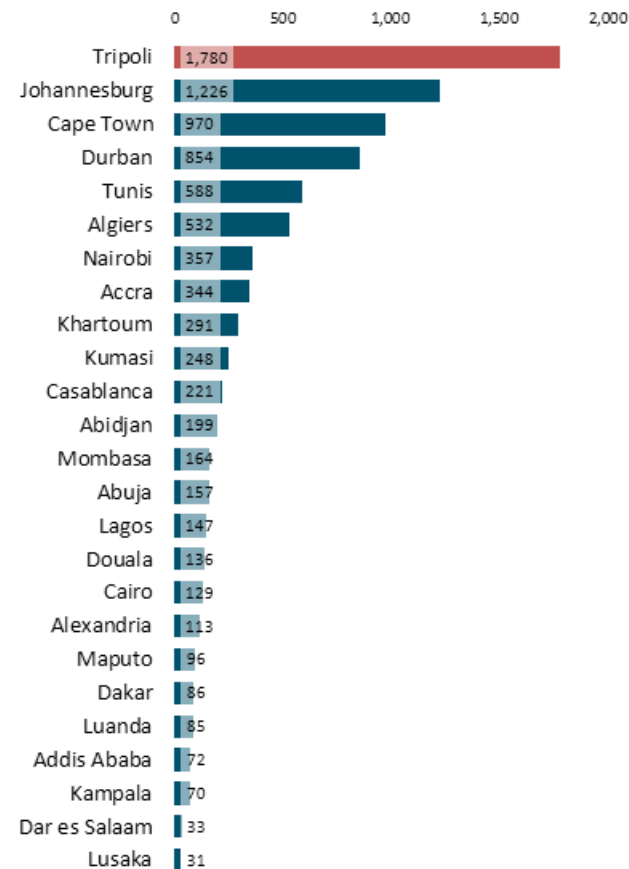
Alcoholic Beverages, Tobacco

Expenditure, US\$ / capita



Transport

Expenditure, US\$ / capita



Key results - Cost of living per city varies greatly

Cities like Luanda feature considerable inequality and official prices are extremely expensive.

TOTAL EXPENDITURE

1 Luanda	131.8	
2 Abuja	107.4	
3 Abidjan	103.6	
4 Lagos	100.8	
5 Johannesburg	100.0	
6 Maputo	97.8	
7 Lusaka	96.6	
8 Accra	93.3	
9 Cape Town	92.0	
10 Casablanca	89.3	
11 Kampala	88.2	
12 Mombasa	86.7	
13 Khartoum	86.4	
14 Nairobi	86.2	
15 Tripoli	86.0	
16 Dar es Salaam	80.4	
17 Dakar	79.3	
18 Algiers	77.4	
19 Durban	75.9	
20 Cairo	74.1	
21 Douala	71.1	
22 Kumasi	70.7	
23 Alexandria	68.1	
24 Tunis	62.2	
25 Addis Ababa	60.8	

ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS

1 Khartoum	121.3	
2 Casablanca	108.3	
3 Tripoli	103.0	
4 Johannesburg	100.0	
5 Cape Town	97.8	
6 Lusaka	90.7	
7 Durban	89.5	
8 Algiers	85.4	
9 Addis Ababa	85.1	
10 Mombasa	84.8	
11 Nairobi	80.1	
12 Abuja	78.3	
13 Dar es Salaam	77.1	
14 Maputo	76.4	
15 Luanda	74.4	
16 Tunis	72.8	
17 Kampala	70.6	
18 Kumasi	69.7	
19 Dakar	68.8	
20 Accra	64.2	
21 Lagos	63.8	
22 Abidjan	63.3	
23 Cairo	62.3	
24 Alexandria	61.6	
25 Douala	46.9	

TRANSPORT

1 Abidjan	172.0	
2 Lusaka	152.4	
3 Luanda	144.6	
4 Kampala	143.4	
5 Dar es Salaam	135.1	
6 Nairobi	132.2	
7 Dakar	126.4	
8 Mombasa	125.5	
9 Kumasi	117.7	
10 Maputo	116.4	
11 Durban	115.9	
12 Khartoum	115.9	
13 Casablanca	115.5	
14 Cape Town	111.8	
15 Lagos	107.5	
16 Douala	102.4	
17 Johannesburg	100.0	
18 Tripoli	96.5	
19 Tunis	96.2	
20 Addis Ababa	94.8	
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22 Abuja	91.7	
23 Algiers	84.4	
24 Cairo	83.6	
25 Alexandria	71.7	

The EIU can support your Africa growth plans

- Forecast demand for their products and services
- Benchmark African cities to find the best opportunities for products and services
- Determine wages for staff in African cities
- Find new market opportunities among African consumers
- Feed city-level data and forecasts into proprietary models



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