

Africa

An overview on economy and business environment



The Sub Saharan African economy is still undergoing an economic recovery since the 2015 downturn. The growth is slower than expected due to internal and global factors. GDP is expected to rise to 3.4 percent in 2019 and 3.7 percent in 2020-2021, however there are considerable differences in the growth performance of each country: the majority of the -mostly non-resource-intensive countries—are expected to grow at 5 percent or more thanks also to their diversified economies, while the mostly resource-intensive countries with economies strictly depending on their resources, including largest Sub Saharan economies like Nigeria, South Africa and Angola will have a slower growth.

The non-commodity driven markets that will see a considerable growth reaching 6% Burkina Faso, Cote d'Ivoire, Ethiopia, Ghana, Niger, Rwanda, Senegal, Tanzania, and Uganda. These countries are also successfully attracting global capital through progressive policies aimed at diversifying their economies and growing the middle class.



Despite, the continent is still not growing fast enough and is still far from pre-crisis levels. there are some positive and relieving trends and Local Governments and the African Union should therefore continue deep macroeconomic and structural reforms aimed to boost Africa's economic growth and development.

Economic experts and the same African Union agree that the only way to significantly increase economic growth and to ensure debt sustainability is to break down the barriers among the African countries in terms of tariffs, labour mobility, market integration.

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In addition, one of the top priority of the African Union is the Digital Transformation aiming to strongly modify and improve the way both the public and the private sector operate and the World Bank is committed to support Africa build its Digital Economy as this will deliver economic productivity and prosperity for Africa.

In the meantime - while continental, regional and local government and institutions are studying and working in order to effectively reach these challenging goals – doing good business in Sub-Saharan Africa and importing or exporting to/from this region requires an in depth knowledge of the African partners.

SkyMinder ensure the most reliable business credit information available on African companies thanks to the most trustworthy and competent local information providers.

The heterogeneity, the complexity and the current lack of digital development of these countries absolutely requires the expertise and the ability of local business information providers.

In terms of collecting information the main challenges are the above mentioned lack of digitalization, the incomplete or obsolete company registries and for some countries also the high rates of fraud, tax evasion, and competition.



Generally speaking and with some exceptions, English Speaking countries are ahead in terms of digitalization and organization of the data (like Nigeria), while French speaking countries started only a few years ago(in this group, Ivory Coast is far ahead of Mali for example).

There are also local legislation obstacles to release information: for example, in most countries, credit data are only accessible to banks and financial institutions, not to private entities.

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In many African States, by law, key information is not published for private companies: financial statements, shareholders, banks, and is only accessible by authorization of the subject company. In addition to that, in most countries (Ivory Coast, Mali, Benin, Togo, etc), the companies do not report dissolution to the registry. Finally there are a few countries (like Sierra Leone, Gambia, Mauritania) which do not have an accessible online registry at all.

Other factors affecting company information availability are: low banking rates, as not many people/companies have bank accounts, compared to Europe for example; telecommunications infrastructures and also strikes which can paralyze registries for month at a time (e.g. Gabon, Ghana)



In order to overcome these problems and get reliable information on companies, a business information company needs to have a local presence with local agents in each country. Only the local presence and the support of local and native agents can allow access to manual registries, build stronger networks and react faster to political and social unrests and cultural/religious manifestations affecting the delivery time of the reports.

On SkyMinder it is possible to get the most updated and complete credit reports on companies on all Sub-Saharan Africa thanks to the best local business information providers.

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Credit Reports on African countries available on SkyMinder are freshly investigated and include the following information:

- Complete company identification details: correct company name, adresse(s), contact details such as phone, fax, email, webs, etc.
- Company registration details: our local providers try to access local registries and to get registration number, company id, fiscal code, and any information that can be retrieved at the local registry
- Directors and company structure: board of directors, shareholders and related companies
- Financials: most times financials are not filed at the local registries, however, our local providers thanks to their information network and to the interview to the company try to get the most detailed financial information on the requested company
- Credit rating and suggested credit limit
- Number of employees
- Activity details: sector and industry of the company, when possible also information on import and export activities, company brands, main suppliers and customers names, etc.
- Legal and negative information on the company
- Banks information
- Basic geopolitic information on the country

Of course the availability of each single details depends on the country legislation, on the company type and on other contingent factors, but SkyMinder always guarantees that all the information included in a report is the result of the best expertise and efforts and that the details included are the best available on the company at the time of the search.

Finally SkyMinder local providers in Sub-Saharan Africa ensure the best and fastest delivery time of the reports available in the market.

SOURCES <https://www.imf.org>; <https://www.cfr.org>; GLOBAL ECONOMIC PROSPECTS | JANUARY 2019 SUB-SAHARAN AFRICA (Worldbank); https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2019AEO/AEO_2019-EN.pdf;