

Destination Africa

Opportunities and Challenges



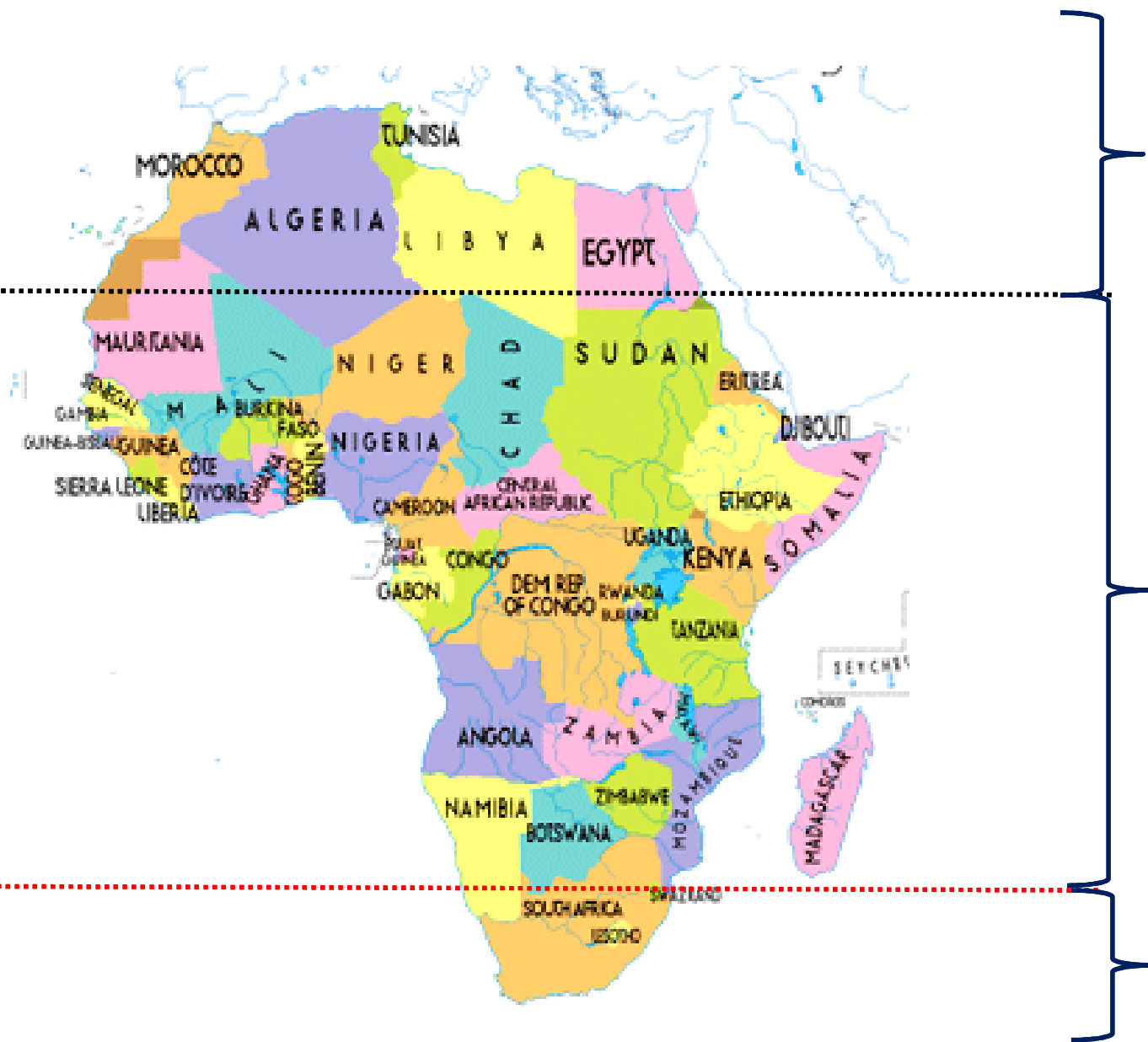
**29th Regional Conference of WIRC of ICAI
Mumbai, Dec 6, 2014**

**Srikanth Balachandran
Global CFO, Bharti**

Destination Africa



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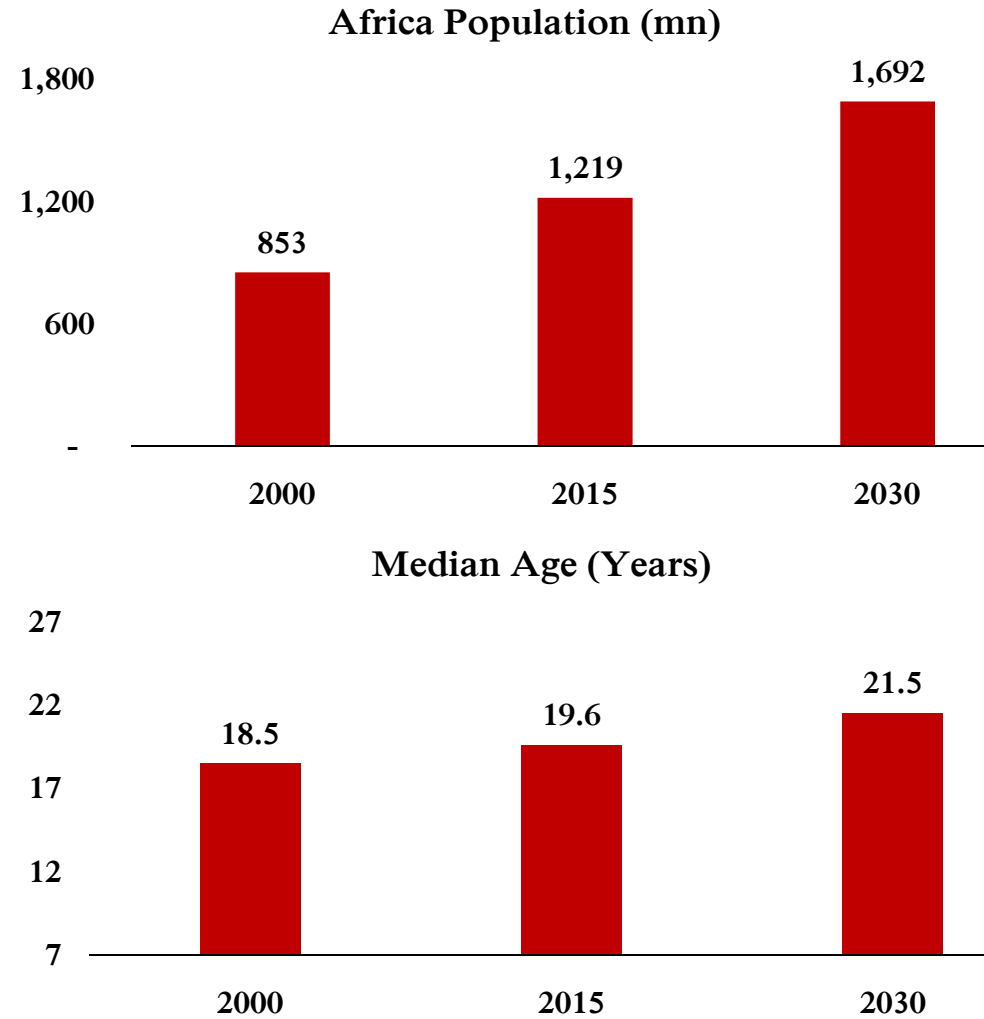
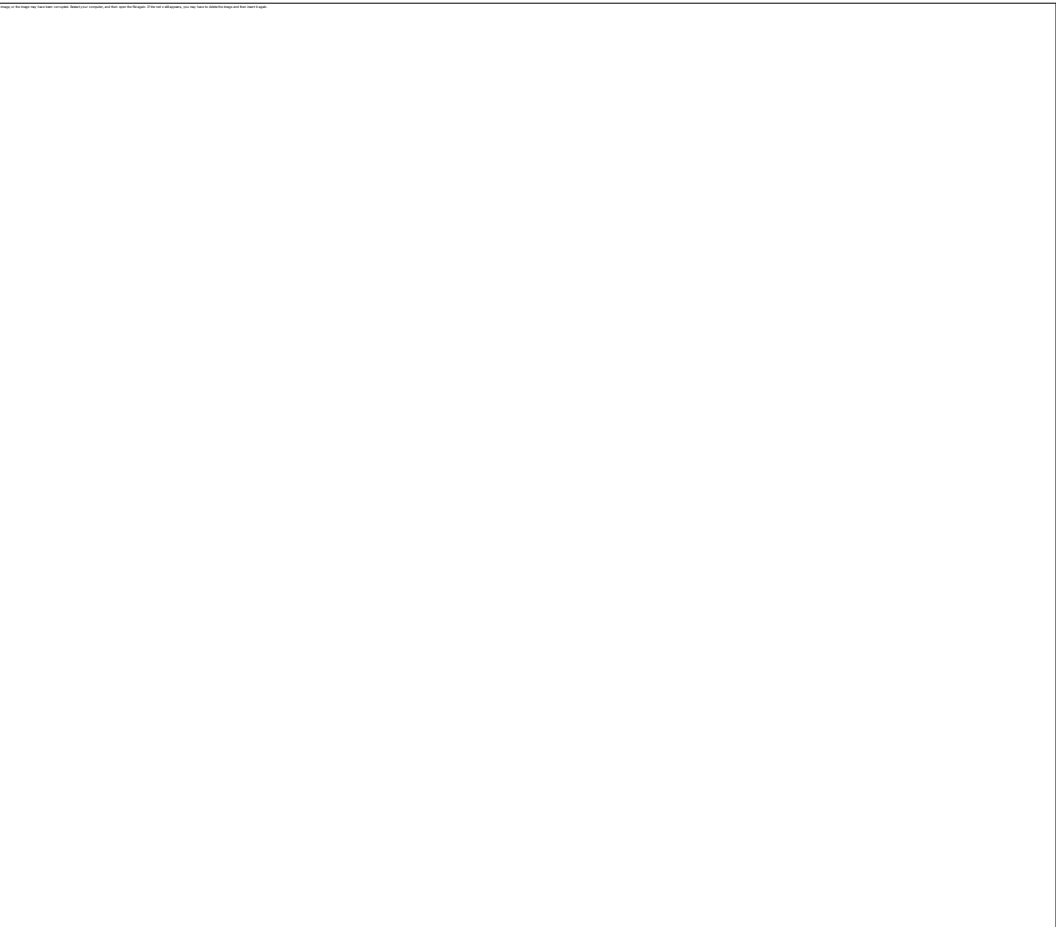


North Africa

Sub-Saharan Africa

Republic of South Africa

Destination Africa: Young and growing



ing 20.6% of world's land and 15.5% world population. A steady growth of population at 2% year o

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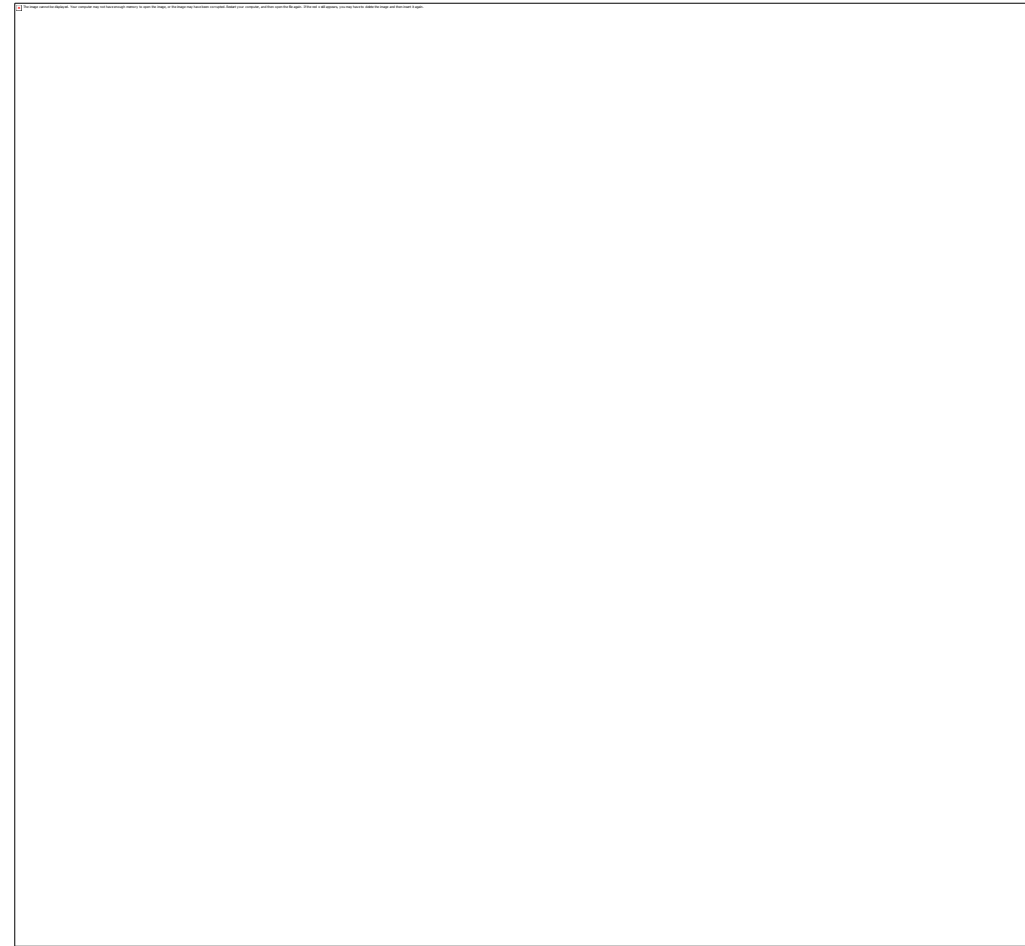
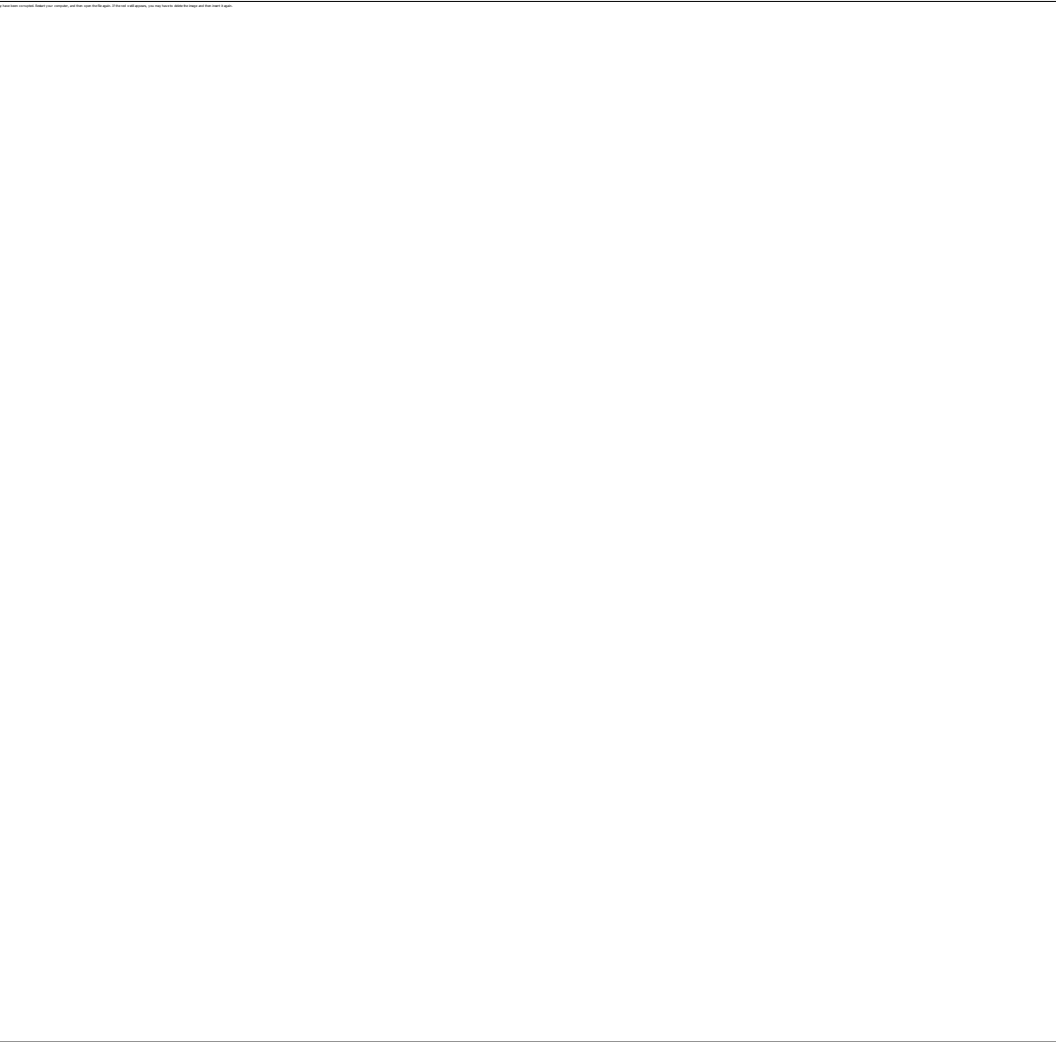
lations

Sub-Saharan Africa leads in population growth rate



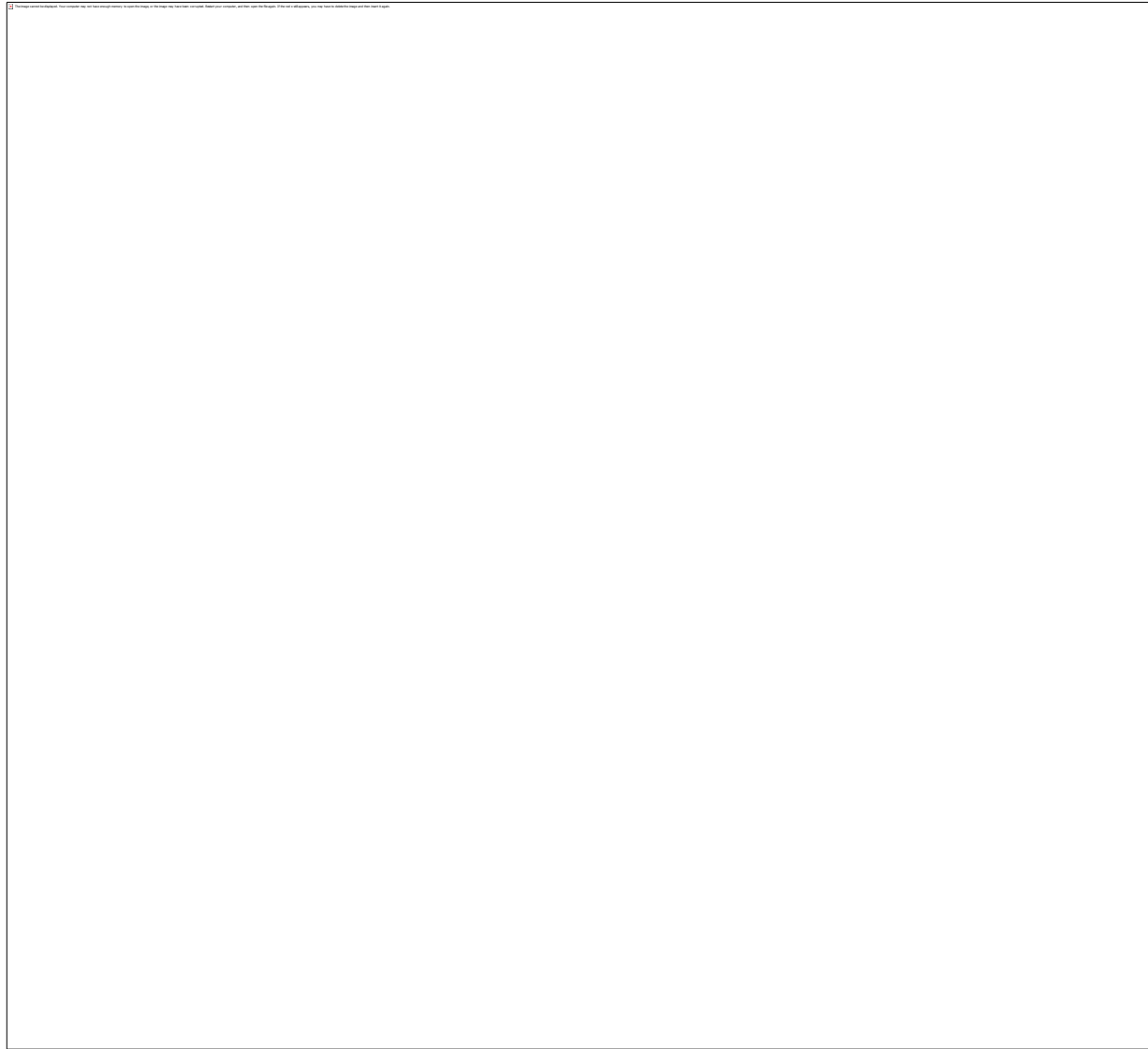
SSA nearing a billion people, fastest growing region in the world

Sub-Saharan Africa will stay young for some time



Represents the single most important feature of Africa

Destination Africa: Linguistic diversity



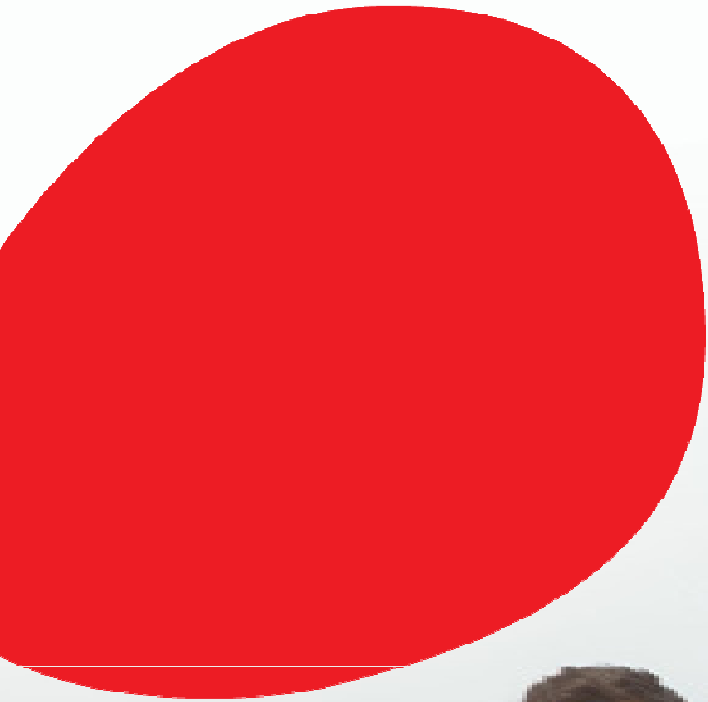
Destination Africa: Religious diversity



Percentage total population

Sub-Saharan Africa: Key economic activities

Tourism	Mining & Minerals	Oil & Gas	Agriculture	Manufacturing
<p>Kenya South Africa Tanzania Ethiopia Zambia Zimbabwe</p>	<ul style="list-style-type: none"> • Cameroon • Angola • Nigeria • Kenya • Ghana • DRC • Tanzania • Zambia • South Africa 	<ul style="list-style-type: none"> • Angola • Nigeria • Uganda 	<ul style="list-style-type: none"> • Ethiopia • Cameroon • Uganda • Kenya • Tanzania • Cote D'Ivoire 	<ul style="list-style-type: none"> • Ethiopia • Nigeria • Ghana • DRC • Tanzania • Zambia • South Africa



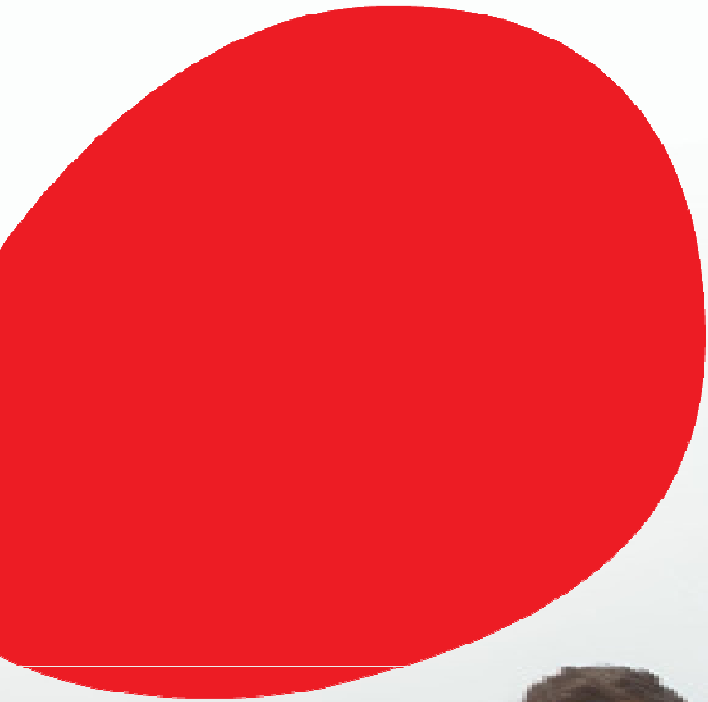

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Sub-Saharan Africa: IMF projections

	Real GDP			Consumer Prices ¹			Current Account Balance ²		
	2013	Projections		2013	Projections		2013	Projections	
		2014	2015		2014	2015		2014	2015
Africa	5.1	5.1	5.8	6.6	6.7	7.0	-2.4	-2.6	-3.2
Algeria ⁴	5.7	6.1	7.0	7.8	7.6	8.1	3.7	3.3	1.8
Angola	5.4	7.0	7.3	8.5	8.3	8.7	4.0	3.7	2.2
Botswana	6.8	3.9	5.9	8.8	7.3	7.3	5.5	4.1	2.0
Burkina Faso	5.6	5.1	5.4	0.5	4.7	2.5	12.1	12.2	6.0
Burundi	3.9	9.6	6.7	0.2	2.8	3.1	-9.5	-7.2	-7.1
Congo	3.3	6.0	7.5	4.6	2.2	2.3	-3.4	-3.2	-3.2
Cote d'Ivoire	3.5	3.0	3.6	5.7	6.4	6.3	-5.4	-5.2	-5.0
Egypt	1.9	1.4	2.3	5.8	6.3	5.8	-5.8	-5.7	-5.6
Ethiopia	7.1	4.5	4.7	11.7	15.7	16.8	-11.9	-9.9	-8.5
Ghana	8.7	8.5	7.9	2.6	0.6	2.6	-2.1	-3.0	-3.1
Guinea	5.5	5.1	5.2	2.1	3.2	2.6	-3.7	-3.5	-3.4
Kenya	6.7	6.5	7.2	7.0	8.0	7.8	0.7	1.9	2.3
Madagascar	3.5	4.5	4.6	0.7	-0.5	1.5	-10.4	-9.8	-9.4
Mali	6.1	6.3	6.6	5.7	5.7	5.9	-11.7	-12.4	-12.3
Morocco	9.7	8.2	8.5	8.1	7.7	9.1	-6.0	-7.1	-7.3
Mozambique	4.6	5.3	6.2	5.7	7.3	6.0	-8.7	-8.0	-8.1
Nigeria	7.0	7.2	7.0	7.9	5.9	4.9	-13.8	-13.7	-13.1
Rwanda	5.8	5.9	6.3	5.0	5.5	5.9	-8.5	-10.4	-10.5
Tanzania	2.4	3.0	4.0	5.8	7.3	6.6	-5.4	-4.3	-4.0
Togo	8.5	8.6	8.5	0.8	2.4	4.1	-10.2	-9.3	-9.2
Tunisia	4.9	5.2	5.7	6.6	6.8	6.9	-2.5	-2.6	-3.2

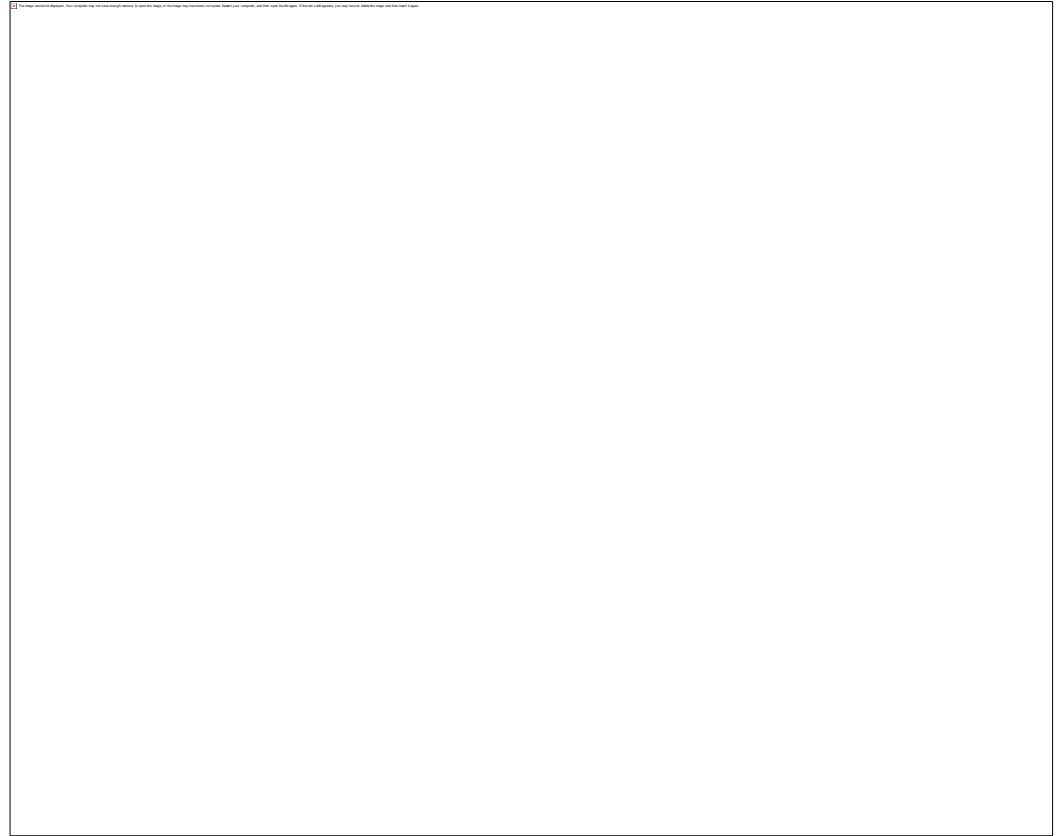
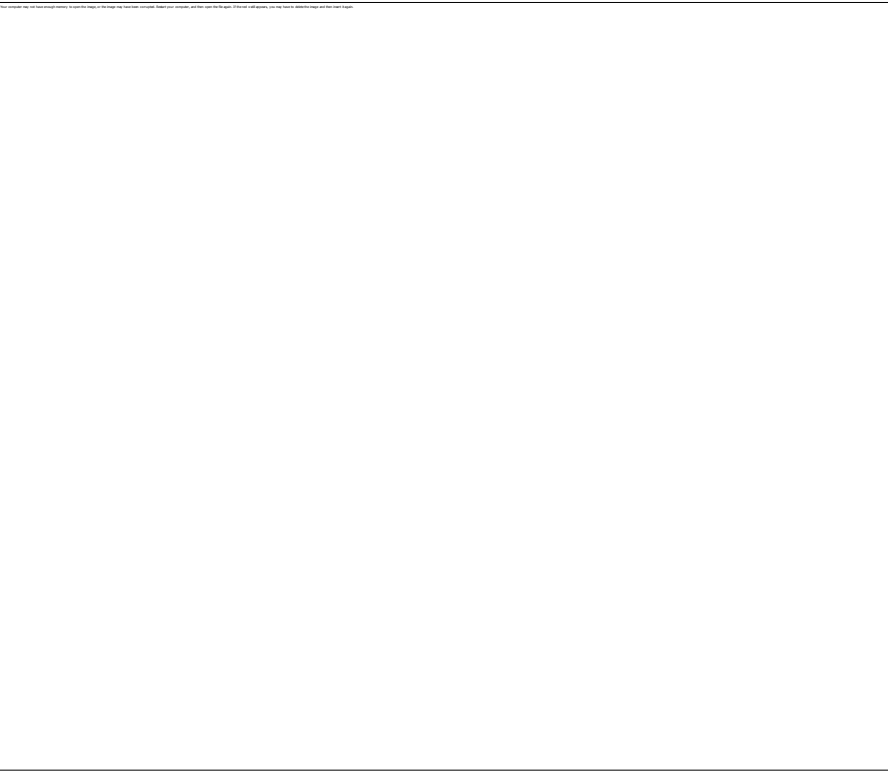
“Economic activity in sub-Saharan Africa has continued to grow robustly—on the back of supportive external demand conditions and strong growth in public and private investment—and the outlook is expected to remain favorable for the lion’s share of the region’s countries”.

“In many economies in the region, growth has also been supported by a further easing in external financial conditions since April 2014. Some economies have been able to tap capital markets at a heightened pace, and recent sovereign bond issuances in the Eurodollar market were largely oversubscribed, including maiden issuances in Kenya and Côte d’Ivoire.”

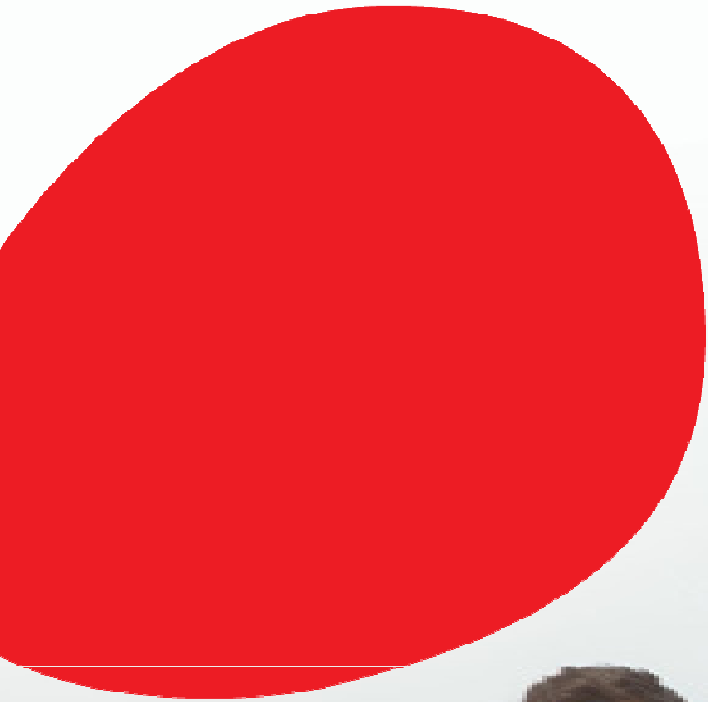



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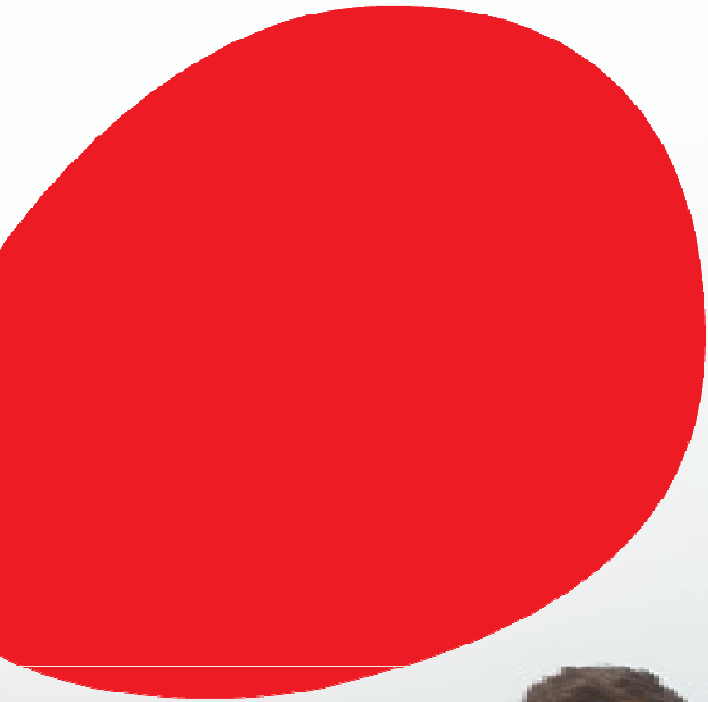
But, African currencies are quite fragile



Note: 5 year currency depreciation vs. US dollar

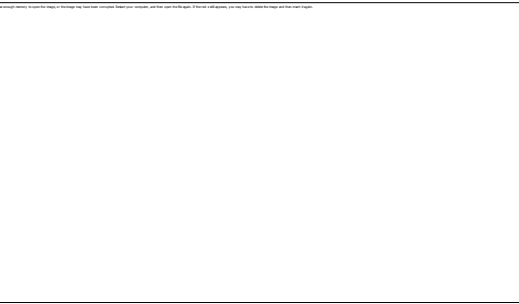



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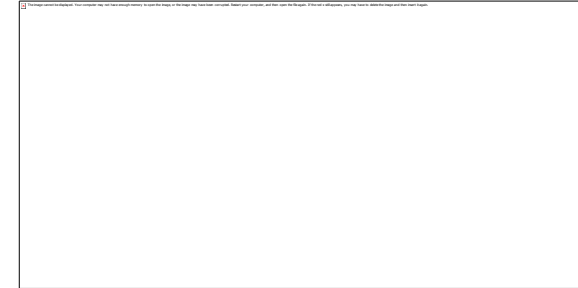
Africa: Key Challenges



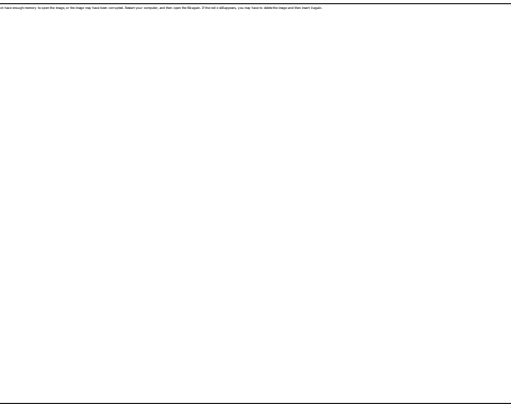
ease of doing business



Weak infrastructure and
Logistics



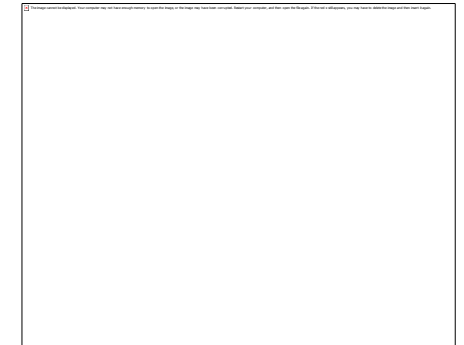
Managing size and diversity- 54
nations speaking
English, French, Portuguese, Ar
ish and thousands of local lan



Investor protection



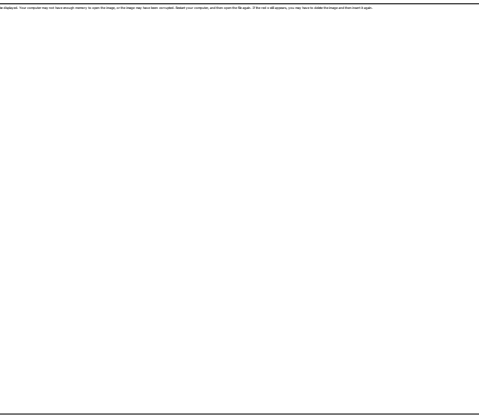
High tax rates and complicated tax
regulations



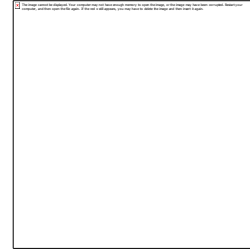
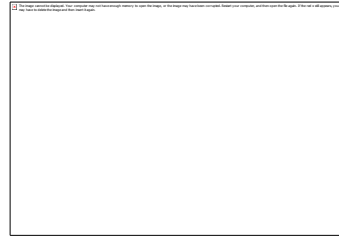
Governance



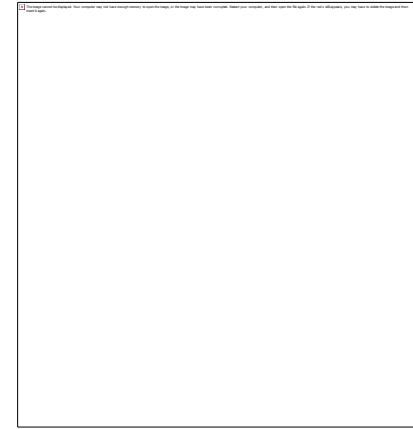
Africa: Key Opportunities for finance professionals



Accounting Services



Audit Relationships



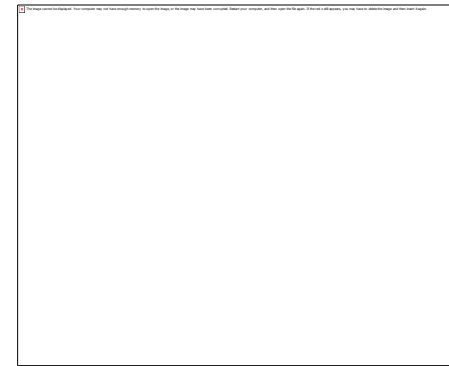
Project planning and
financing



ERP implementation



Data analytics



Education and training

Airtel In Africa- Present in 17 countries

Total Revenue FY 14

\$4.5 bn

Customer Base

71 mn

**Airtel
Africa**

Market Share

24%

Internet customers

26 mn

Mobile Money Customers

5.3 mn

