

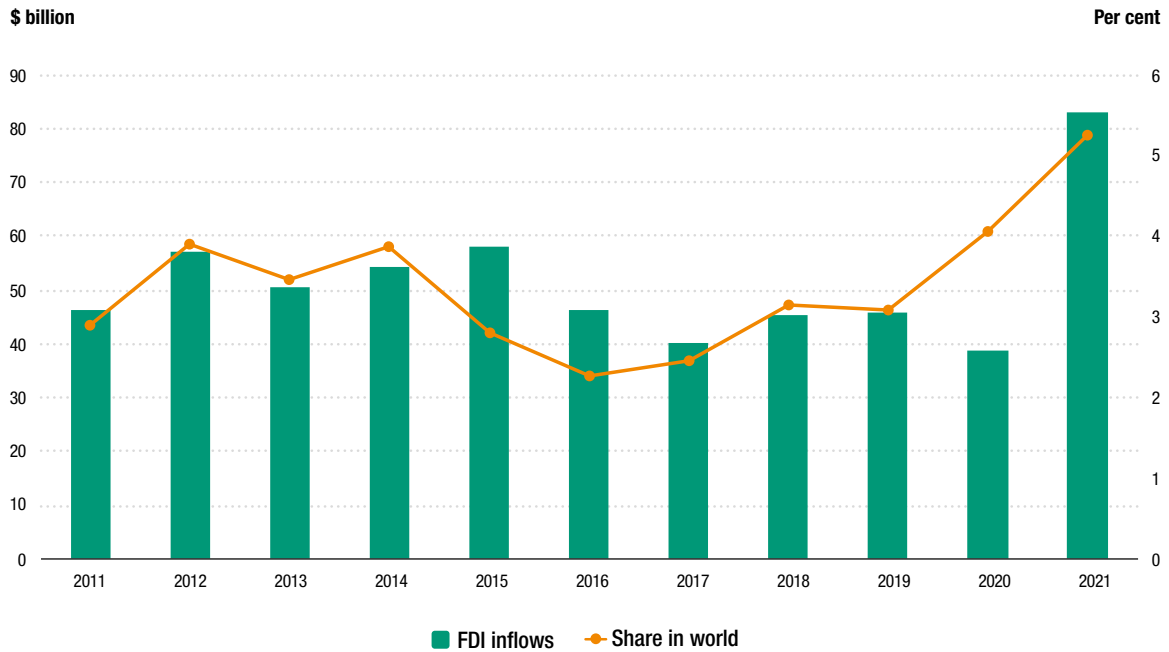
REGIONAL TRENDS

AFRICA

HIGHLIGHTS

- Foreign direct investment (FDI) flows to Africa reached \$83 billion – a record – from \$39 billion in 2020, accounting for 5.2 per cent of global FDI. Most recipients saw a moderate rise after the pandemic-induced fall in 2020. The total was inflated by a single intrafirm financial transaction in South Africa in the second half of 2021. Excluding that, the increase was more in line with other developing regions.
- Southern Africa, East Africa and West Africa saw flows rise; flows in Central Africa remained flat and in North Africa declined:
 - Flows to North Africa fell by 5 per cent to \$9 billion. Egypt saw its FDI drop by 12 per cent as large investments in exploration and production agreements in extractive industries were not repeated. Despite the decline, the country was the second largest host of FDI on the continent. Flows to Morocco rose by 52 per cent to \$2.2 billion.
 - FDI in West Africa increased by 48 per cent to \$14 billion. Nigeria saw its flows double to \$4.8 billion, mainly from the resurgence in oil investment and expansion in gas. International project finance deals in the country jumped to \$7 billion, with some large projects in residential and commercial real estate. Flows to Ghana rose by 39 per cent to \$2.6 billion, owing to projects in extractive industries.
 - FDI to East Africa grew by 35 per cent to \$8.2 billion. Flows to Ethiopia reached \$4.3 billion, mainly due to a tripling of Chinese investment. FDI to the United Republic of Tanzania rose by 35 per cent to \$922 million.
 - Flows to Central Africa remained flat at \$9.4 billion. FDI to the Democratic Republic of the Congo rose by 14 per cent to \$1.9 billion due to flows in offshore oil fields and mining. Flows to Congo fell by 8 per cent, to \$3.7 billion.
 - FDI to Southern Africa jumped to \$42 billion due to a large corporate reconfiguration in South Africa in the third quarter of 2021. New project announcements included a \$4.6 billion project finance deal in clean energy and a \$1 billion greenfield project for a data centre campus.
- Among regional economic groupings in Africa over the past five years, flows rose to member States of the Economic Community of Central African States (up 21 per cent, to \$1 billion), the Southern African Development Community (more than quadrupling, to \$45 billion) and the West African Economic and Monetary Union (tripling, to \$6 billion) but remained flat in the Economic Community of Central African States (at \$5 billion) and fell in the Common Market for Eastern and Southern Africa (by 24 per cent, to \$14 billion) and the East African Community (down 8 per cent, to \$3 billion).
- Intra-regional investment remained relatively small, despite an increase over the past five years. In 2021, intraregional greenfield project announcements represented 13 per cent of all projects in Africa (15 per cent in terms of value), as compared with 9 per cent (16 per cent in value) in 2016. However, looking at announced projects invested in by African MNEs, three quarters of their value was in the continent.
- Despite the overall positive FDI trend, total greenfield project announcements remained depressed at \$39 billion, showing only modest recovery from the \$32 billion low in 2020 (down from \$77 billion in 2019).
- International project finance deals targeting Africa rose 26 per cent in number (to 116) and surged to \$121 billion in value (from \$36 billion in 2020). The rise was supported by multilateral finance and capital market investors targeting energy (\$56 billion) and renewables (\$26 billion). The largest project announced was a power-to-x hydrogen one in Mauritania for \$40 billion by CWP Renewables (Australia).
- European investors remained by far the largest holders of foreign assets in Africa, led by the United Kingdom (\$65 billion) and France (\$60 billion).

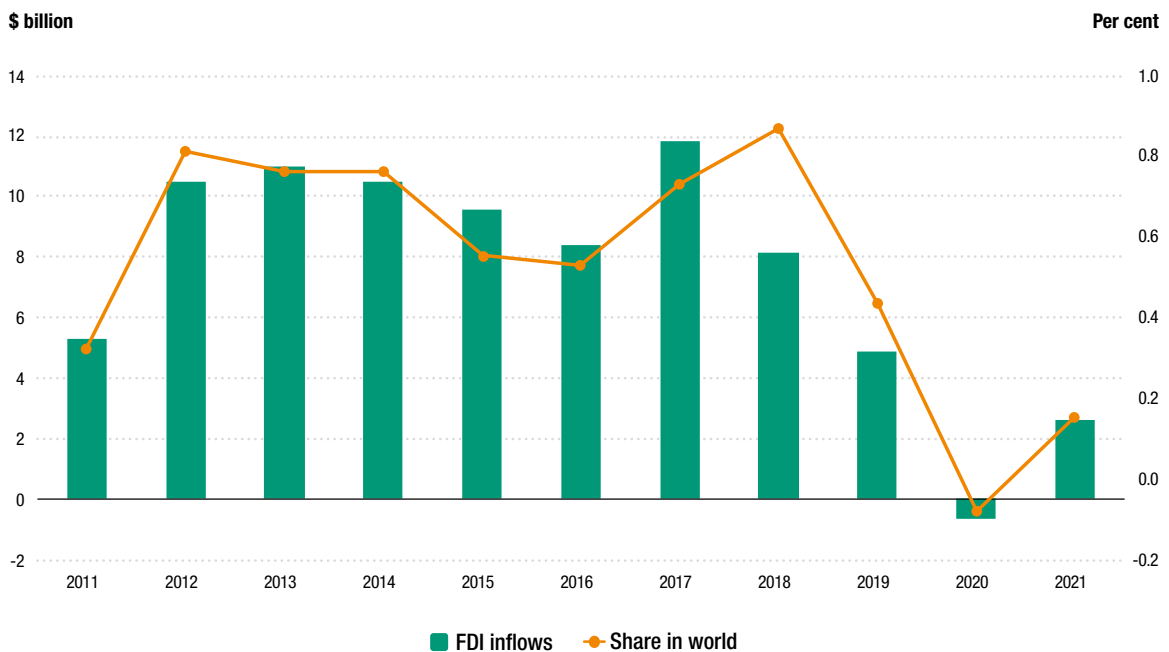
Figure 1. | Africa: FDI inflows and share in world inflows, 2011–2021 (Billions of dollars and per cent)



Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).

Note: World excludes Caribbean financial centres.

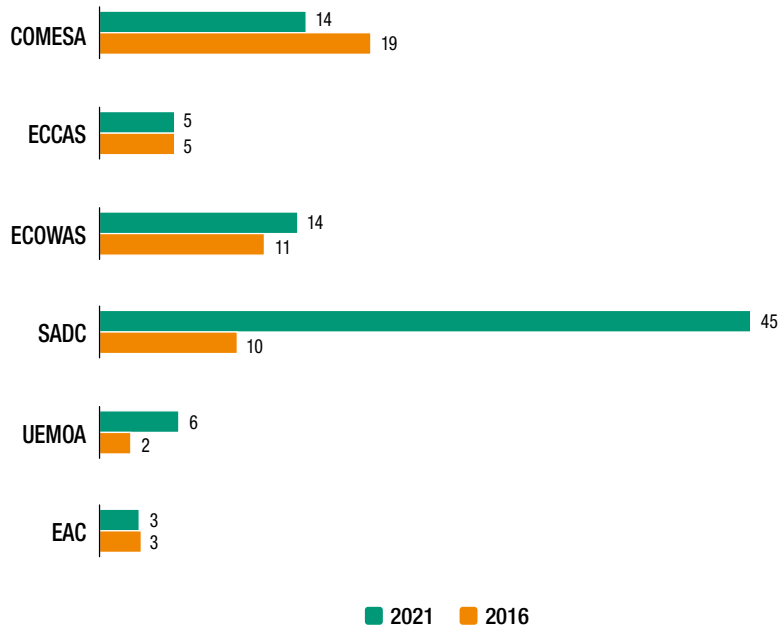
Figure 2. | Africa: FDI outflows and share in world outflows, 2011–2021 (Billions of dollars and per cent)



Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).

Note: World excludes Caribbean financial centres.

Figure 3. | Africa: FDI in regional groupings, 2016 and 2021 (Billions of dollars)



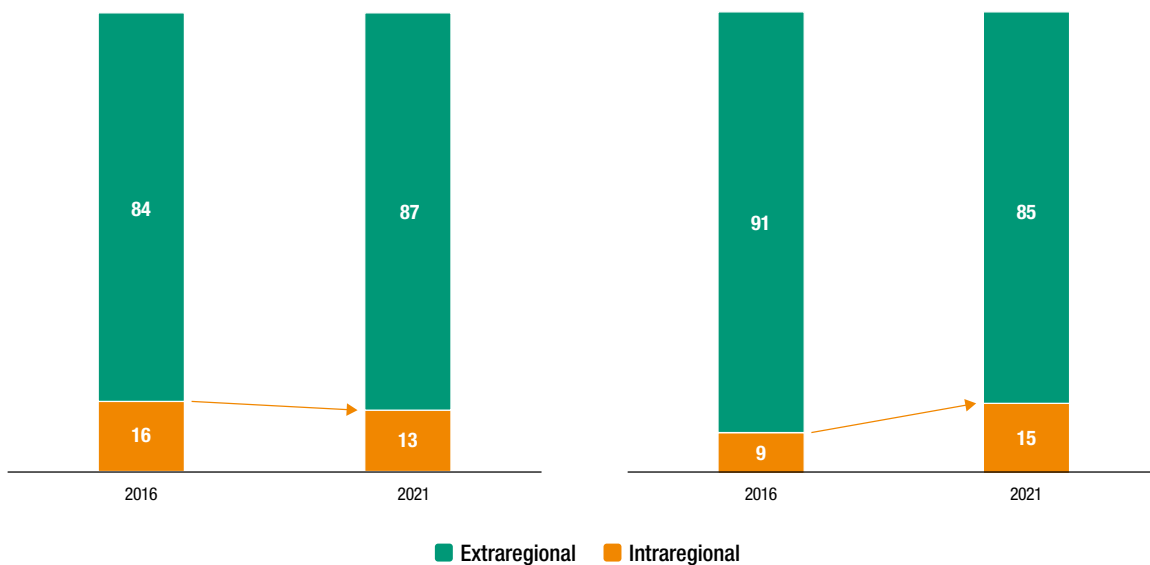
Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).

Note: COMESA = Common Market for Eastern and Southern Africa, ECCAS = Economic Community of Central African States, ECOWAS = Economic Community of West African States, SADC = Southern African Development Community, UEMOA = West African Economic and Monetary Union, EAC = East Africa Community.

Figure 4. | Africa: announced intraregional greenfield investment projects, 2016 and 2021 (Per cent)

a. By number

b. By value



Source: UNCTAD, based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com).

Table 1. Africa: FDI inflows and cross-border M&A sales, 2019–2021 (Millions of dollars and number)

Subregion/selected economy	FDI				Net cross-border M&A sales							
	Value				Value				Number			
	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)
Africa	45 678	38 952	82 991	113	5 835	3 334	-1 515	..	140	87	130	49
North Africa	13 550	9 800	9 335	-5	682	93	-4	..	24	35	47	34
Algeria	1 382	1 143	870	-24	-	-8	-	..	1	-1	2	..
Egypt	9 010	5 852	5 122	-12	521	135	16	-88	8	20	25	25
Morocco	1 720	1 419	2 153	52	17	28	-20	..	12	9	12	33
Tunisia	845	652	660	1	144	-61	-	..	3	7	8	14
Other Africa	32 128	29 152	73 655	153	5 153	3 241	-1 511	..	116	52	83	60
West Africa	10 863	9 340	13 849	48	291	817	-313	..	34	14	12	-14
Ghana	2 827	1 876	2 614	39	-	-	96	..	-	1	-	..
Nigeria	2 305	2 385	4 844	103	197	417	-678	..	14	7	2	-71
Senegal	1 065	1 846	2 232	21	-	400	188	-53	6	2	1	-50
Central Africa	8 858	9 506	9 409	-1	-29	95	50	-47	7	-1	5	..
Congo	3 366	4 016	3 691	-8	-	-	-	..	1	-	-	..
Congo, Democratic Republic of the	1 488	1 647	1 870	14	-	-	-	..	-	-	-	..
Gabon	1 553	1 717	1 635	-5	-29	-	50	..	1	-1	1	..
East Africa	7 893	6 062	8 179	35	267	56	609	996	19	15	27	80
Ethiopia	2 549	2 381	4 259	79	-	-	-	..	-	3	-	..
Kenya	1 098	717	448	-37	195	48	386	705	13	7	17	143
Uganda	1 274	874	1 142	31	-	-	37	..	1	2	2	0
United Republic of Tanzania	1 217	685	922	35	-3	-	1	..	-3	-	2	..
Southern Africa	4 514	4 244	42 219	895	4 623	2 273	-1 856	..	56	24	39	63
Mozambique	2 212	3 035	5 102	68	-	-	-42	..	3	1	-1	..
South Africa	5 125	3 062	40 889	1235	4 629	2 239	280	-87	41	19	34	79
<i>Memorandum</i>												
World	1 480 626	963 139	1 582 310	64	507 396	474 864	727 880	53	7 118	6 201	8 846	43
Developed economies	764 456	319 190	745 739	134	428 468	388 581	615 083	58	5 949	5 333	7 838	47
Developing economies	716 170	643 949	836 571	30	78 928	86 283	112 797	31	1 169	868	1 008	16

Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>) for FDI and cross-border M&A database (<https://unctad.org/fdistatistics>) for M&As.

Note: Data for world and developing economies exclude Caribbean financial centres.

Table 2. Africa: announced greenfield projects and international project finance deals, 2019–2021 (Millions of dollars and number)

Subregion/selected economy	Announced greenfield investment projects								Announced international project finance deals							
	Value				Number				Value				Number			
	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)
Africa	76 637	32 049	39 431	23	1 063	571	543	-5	132 442	36 232	121 479	235	149	92	116	26
North Africa	21 767	4 979	8 638	73	310	133	143	8	4 196	2 829	38 332	1255	16	13	21	62
Algeria	2 316	77	858	1 017	24	6	10	67	-	-	7 291	..	-	-	2	..
Egypt	13 715	1 629	5 574	242	140	52	65	25	1 181	1 713	10 083	489	4	4	14	250
Morocco	3 069	2 469	1 816	-26	111	62	52	-16	615	1 071	20 546	1 819	4	8	2	-75
Tunisia	2 519	474	268	-43	31	10	8	-20	603	-	-	..	6	-	-	..
Other Africa	54 869	27 070	30 794	14	755	438	400	-9	128 245	33 403	83 147	149	133	79	95	20
West Africa	30 775	10 919	7 036	-36	244	153	125	-18	26 184	5 531	55 066	896	41	19	33	74
Ghana	4 848	1 342	1 302	-3	45	34	29	-15	6 429	-	1 802	..	5	-	6	..
Nigeria	10 196	6 625	1 508	-77	76	54	43	-20	4 731	-	6 825	..	4	-	9	..
Senegal	2 131	504	642	27	30	10	8	-20	1 349	1 844	374	-80	5	5	2	-60
Central Africa	4 704	2 415	2 786	15	64	36	29	-19	5 610	5 020	5 256	5	19	20	14	-30
Congo, Democratic Republic of the	570	1 135	184	-84	6	12	4	-67	3 355	1 957	783	-60	8	7	2	-71
Gabon	1 445	528	2 114	301	11	5	5	0	207	200	877	338	1	1	4	300
Rwanda	1 246	236	270	15	20	5	10	100	1 999	-	-	..	1	-	-	..
East Africa	8 251	2 628	3 810	45	205	89	80	-10	46 724	21 658	6 142	-72	57	30	32	7
Ethiopia	1 908	503	132	-74	32	11	7	-36	876	4 263	660	-85	5	3	5	67
Kenya	3 861	577	2 110	266	95	43	39	-9	3 583	164	179	9	5	3	1	-67
Uganda	960	354	260	-27	29	5	8	60	571	1 764	16	-99	5	3	1	-67
United Republic of Tanzania	897	223	989	344	24	12	15	25	30 506	1 240	1 129	-9	8	2	1	-50
Southern Africa	11 563	11 109	17 162	54	240	160	166	4	49 727	1 195	16 683	1 296	16	10	16	60
Namibia	2 257	149	4 594	2 991	11	6	5	-17	-	259	9 865	3 706	-	1	4	300
South Africa	4 115	5 599	6 459	15	130	104	115	11	47 950	474	6 718	1 317	9	7	10	43
<i>Memorandum</i>																
World	845 921	575 069	659 426	15	18 261	13 248	14 710	11	681 933	483 749	1 187 657	146	1 303	1 262	2 115	68
Developed economies	381 665	316 485	400 565	27	10 976	8 993	9 790	9	301 440	263 839	655 957	149	677	742	1 262	70
Developing economies	464 256	258 584	258 861	-	7 285	4 255	4 920	16	380 493	219 910	530 101	141	626	520	852	64

Source: UNCTAD based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com) for announced greenfield FDI projects and Refinitiv SA for international project finance deals.

Table 3. Africa: announced greenfield projects, by sector and selected industries, 2019–2021

Sector/industry	Value (Millions of dollars)			2020–2021 growth rate (%)	Number			2020–2021 growth rate (%)
	2019	2020	2021		2019	2020	2021	
Total	76 637	32 049	39 431	23	1 063	571	543	-5
Primary	2 829	1 387	3 713	168	23	12	15	25
Manufacturing	32 621	8 434	10 295	22	409	200	158	-21
Services	41 186	22 228	25 424	14	631	359	370	3
<i>Top 10 industries in value terms</i>								
Energy and gas supply	10 228	6 089	11 334	86	64	38	40	5
Information and communication	4 639	10 892	5 225	-52	100	118	109	-8
Extractive industries	2 640	1 104	3 508	218	17	8	10	25
Construction	9 576	407	2 823	593	13	5	6	20
Coke and refined petroleum	7 727	2 311	2 770	20	13	3	2	-33
Transportation and storage	5 402	1 500	2 671	78	50	28	63	125
Non-metallic mineral products	2 549	1 008	2 563	154	34	18	12	-33
Automotive	4 015	1 121	1 338	19	63	29	19	-34
Basic metal and metal products	1 125	13	1 204	9 284	24	5	8	60
Water and waste management services	326	366	896	145	3	3	3	0

Source: UNCTAD, based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com).

Table 4. Africa: announced international project finance deals, selected industries, 2019–2021

Sector/industry	Value (Millions of dollars)			2020–2021 growth rate (%)	Number			2020–2021 growth rate (%)
	2019	2020	2021		2019	2020	2021	
Total	132 442	36 232	121 479	235	149	92	116	26
<i>Top 10 industries by number</i>								
Renewable energy	10 228	12 145	26 407	117	65	41	40	-2
Mining	12 886	4 518	3 786	-16	35	18	16	-11
Oil and gas	42 175	1 031	11 330	999	9	4	15	275
Residential/commercial real estate	3 328	556	3 934	607	12	5	10	100
Industrial real estate	3 728	1 214	2 206	82	8	6	9	50
Transportation infrastructure	10 031	14 209	3 927	-72	8	7	7	0
Power	2 108	1 792	55 509	2 997	6	6	6	0
Telecommunication	47 320	-	1 985	..	3	-	4	..
Agriculture	-	-	7 202	..	-	-	3	..
Water and sewerage	130	351	215	-39	1	2	3	50

Source: UNCTAD, based on data from Refinitiv SA.

Table 5. Africa: net cross-border M&A sales, by sector and selected industries, 2019–2021

Sector/industry	Value (Millions of dollars)			2020–2021 growth rate (%)	Number			2020–2021 growth rate (%)
	2019	2020	2021		2019	2020	2021	
Total	5 835	3 334	-1 515	..	140	87	130	49
Primary	184	498	-2 586	..	18	9	12	33
Manufacturing	2 114	2 247	536	-76	36	18	19	6
Services	3 537	590	535	-9	86	60	99	65

Top 10 industries in value terms

Financial and insurance	20	74	749	908	24	20	30	50
Coke and refined petroleum	1 044	-	515	..	3	1	2	100
Real estate	143	55	393	618	3	6	2	-67
Administrative and support services	2 920	-	298	..	4	2	4	100
Education	-69	-	184	..	-	-	7	..
Information and communication	-90	193	181	-6	13	9	19	111
Entertainment	-	-	156	..	1	-	4	..
Transportation and storage	533	235	50	-79	10	6	5	-17
Chemicals	-	38	30	-22	4	6	-	..
Paper and paper products	326	-	9	..	3	2	2	0

Source: UNCTAD, cross-border M&A database (<https://unctad.org/fdistatistics>).

Table 6. Africa: investment project announcements in SDG sectors, 2019–2021
(Millions of dollars and per cent)

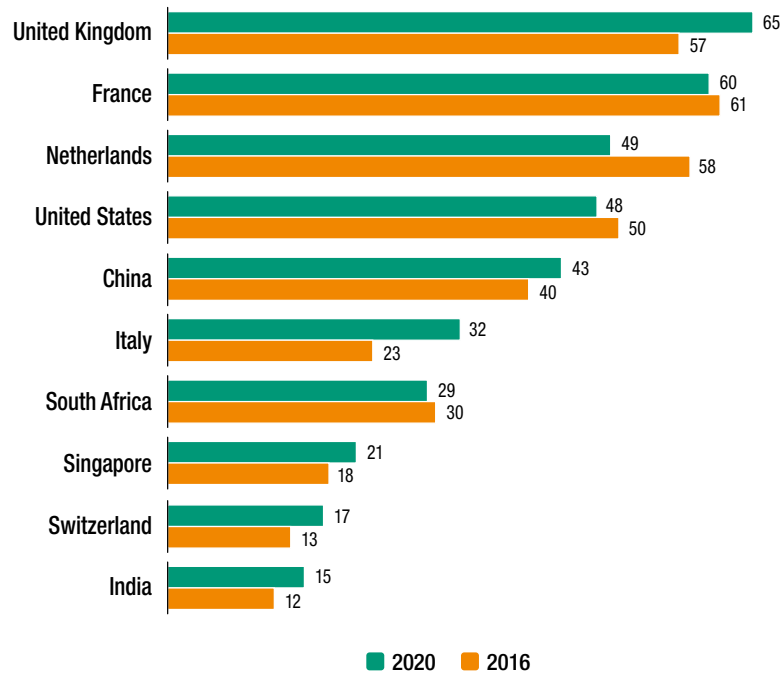
SDG-relevant sector	Greenfield projects				International project finance deals			
	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)
Total	28 529	20 522	20 266	-1	69 817	28 498	95 324	234
Value	28 529	20 522	20 266	-1	69 817	28 498	95 324	234
Number of projects	291	220	206	-6	83	56	64	14
<i>Power^a</i>								
Value	1 502	700	2 672	282	2 108	1 792	55 509	2 997
Number of projects	6	3	3	0	6	6	6	0
<i>Renewable energy</i>								
Value	8 758	5 418	8 664	60	10 228	12 145	26 407	117
Number of projects	59	37	38	3	65	41	40	-2
<i>Transport services^b</i>								
Value	5 402	1 494	2 177	46	10 031	14 209	3 927	-72
Number of projects	50	27	60	122	8	7	7	0
<i>Telecommunication</i>								
Value	3 903	10 108	4 185	-59	47 320	-	1 985	..
Number of projects	36	66	40	-39	3	-	4	..
<i>Water, sanitation and hygiene (WASH)</i>								
Value	326	366	896	145	130	351	215	-39
Number of projects	3	3	3	0	1	2	3	50
<i>Food and agriculture</i>								
Value	7 740	2 025	1 121	-45	-	-	7 202	..
Number of projects	83	55	35	-36	-	-	3	..
<i>Health</i>								
Value	639	267	329	24	-	-	-	..
Number of projects	37	14	12	-14	-	-	-	..
<i>Education</i>								
Value	259	143	221	54	-	-	78	..
Number of projects	17	15	15	0	-	-	1	..

Source: UNCTAD, information from Financial Times Ltd, fDi Markets (www.fdimarkets.com) for announced greenfield FDI projects and Refinitiv SA for international project finance deals.

^a Excluding renewable energy.

^b Transport services for greenfield projects and transport infrastructure for project finance.

Figure 5. | Africa: top 10 investor economies by FDI stock, 2016 and 2020 (Billions of dollars)



Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).