CSFI

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION

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The African Century - A round-table discussion on investment in Africa with Rod Evison (CDC), Francis Beddington (Insparo), Ian Anderson (Gatsby Foundation), Rupert Boyd (Standard Bank) and Konrad Reuss (Standard & Poor's). To be held on Thursday, January 21, 2010, from 12:30-2:15pm.

Citi/DfID Fellowship Programme

"I still believe this can and should be the century of Africa." So said World Bank President Robert Zoellick in August on a trip to Uganda, adding that there is an urgent need for more investment in energy, infrastructure and agriculture in order to achieve this vision.

In fact, investment flows, though increasing, are still pitifully low. For example, just $12bn was raised for private equity in Africa in the five years between 2004 and 2008, of which $3bn went only to South Africa.

The financial crisis has raised concerns that investment flows to Africa (and other developing countries) will reverse and the G20's deliberations have added to worries that a more restrictive regulatory environment in OECD countries will make investing in the developing world less attractive and more expensive. Is this true? Or will we see investment resume its upward trend, after a temporary blip, as the African century apologists would have us believe?

Their argument is that there has been a sea change in how investors view developing markets. Investment momentum has been building for years, spurred by the realisation that the superior returns that developing markets can deliver are not just "nice to have", but are in fact an indispensable part of investment strategies which aim to provide pensions for an ageing population in the developed world. And the developing world can provide much of what we in the North need – food, energy, minerals. The underlying momentum is not going to disappear.

So, why is so little capital being put to work? What are the constraints, especially the financial sector constraints? How much of this is to do with the supply side, i.e. too few investors with the appetite for this kind of risk? How do the perspectives of investors in quoted emerging market securities differ from private equity specialists?

To help us answer these questions, we are delighted to welcome:

- Rod Evison, managing director, Africa and Latin America, for CDC Group, the UK Government's fund-of-funds for emerging markets, which has a particular focus on frontier markets in Africa and Asia. Rod has responsibility for CDC's portfolio of private equity funds in Africa, where CDC has committed $1.7bn to around 40 private equity funds.
- Francis Beddington, co-founder of Insparo Asset Management. He is one of the most experienced City analysts covering Africa and the Middle East. He has been working on the region for over 15 years in both the public and private sector, and has held senior research positions with Standard Bank and Chase Manhattan/JP Morgan.
- Ian Anderson, Africa programme manager for the Gatsby Charitable Foundation, overseeing a range of programmes in East Africa. Previously, Ian was with The Parthenon Group, a strategy consultancy firm, advising on a range of private, public and non-profit projects in London and Mumbai.
- Rupert Boyd, managing director and global head of investor coverage at Standard Bank. Previously, Rupert was with Morgan Stanley where he was responsible for sales and syndication in the high yield and emerging markets.

- Konrad Reuss, regional manager for Standard & Poor's South African and Sub-Saharan businesses, based in Johannesburg. Prior to that, he was deputy head of S&P's sovereign and international public finance ratings group.

If you or a colleague would like to join us for what I'm sure will be a lively discussion, please let us know by emailing sophie@csfi.org.uk or by telephoning 020 7493 0173. As usual, wine and sandwiches will be provided.

Sincerely yours,

Mark Napier
Citi/DFID Development Fellow
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