SINGAPORE BUSINESS FEDERATION
Apex Business Chamber

SBF RESEARCH REPORT

Brought to you by
Research & Publishing Department

The Competitive Landscape of Sub-Saharan Africa

2021 | JANUARY

Executive Summary

This study provides an overview of market competition within sub-Saharan Africa.

Focus group discussions were conducted with business leaders to gain ground-up insights, and conclusions were evaluated on the basis of three key objectives: (i) identification of key opportunities and challenges, (ii) forms of business practices and collaborative arrangements, and (iii) the efficacy of governmental efforts and incentives in encouraging more Singapore companies to operate in sub-Saharan Africa.

In addressing this topic, a qualitative approach was adopted.

Opinions gathered from the conduct of focus group discussions were curated from business leaders across key industries, namely Agribusiness, Fast Moving Consumer Goods (FMCG), Information and Communications Technology (ICT), Logistics, Healthcare, and Built Environment.

Broadly, businesses recognise that **the growth and rapid adoption of digital technology in sub-Saharan Africa will considerably impact the texture of competition and nature of work in the foreseeable future**. In tandem with this development, **businesses also see the urgent need in developing and leveraging the vast pool of human capital** which is young and fast growing, albeit predominantly low-skilled. This large labour pool is particularly attractive for businesses operating within the agribusiness space. In other sectors like Information and Communications Technology (ICT) and healthcare, companies often find it a challenge in sourcing skilled labour with strong technical capabilities. Inadequate training facilities in sub-Saharan Africa have resulted in higher operational costs for some companies.

Access to finance remains a key constraint to doing business in sub-Saharan Africa with financial structures still facing problems of scale and volatility, signs of limited intermediation capacity in the region. There is a shortage of bank and non-bank financial institutions, with SMEs either struggling to obtain financial credit or are charged high interest rates, making it a challenge to embark on any expansion projects. This is one of the key obstacles hindering the growth of enterprises, as there is often the need for significant working capital to build a sustainable business. **Despite the constraints, globalisation, technology and increased regional integration are likely to provide new opportunities for finance in the region**.

Government grants are seen as important in supporting SMEs in their internationalisation journey. **Businesses consider the work of the Singapore Overseas Centres in sub-Saharan Africa useful – in particular, advocacy efforts undertaken on behalf of Singapore companies to sub-Saharan African stakeholders. Businesses were also appreciative of the government's physical presence in serving as a contact and advisory point. Emphasis is placed on the importance of engaging experts with strong local knowledge in the region, given that business conditions in sub-Saharan Africa are vastly different from what companies in Singapore are usually familiar with**.

CONTENTS

1. Introduction

1.1. Background

This report provides a discussion on the competitive landscape in Sub-Saharan Africa and seeks to shed insights on prevailing market conditions companies can expect to face when operating within the region. Apart from secondary research, information and analyses contained herein are based on feedback gathered through the conduct of Focus Group Discussions (FGDs).

Representations for these FGDs cut across the broad spectrum of industries, namely Agribusiness, Fast Moving Consumer Goods (FMCG), Information and Communications Technology (ICT), Logistics, Healthcare, and Built Environment, amongst others. Business leaders engaged in the FGDs are represented at the C-suite or senior management level.

Views and perspectives were also gathered from representatives of Singapore enterprises[1], Singapore branch offices of foreign companies, and Exempt Private Companies (EPCs) based in Singapore with dual incorporation in Singapore and another country. This allowed for useful contrast against the experiences and sentiments of Singapore-owned, Singapore-based companies.

All findings and responses are anonymised and reported in aggregate.

2. Overview

2.1. Research Objectives

a. The identification of key opportunities and challenges businesses face when operating in sub-Saharan Africa.
b. Understand business practices and collaborative arrangements businesses undertake when competing in the region.
c. Gain insights into the efficacy of governmental efforts and incentives in encouraging more Singapore companies to operate in sub-Saharan Africa.

2.2. Sub-Saharan Africa – A Brief Backdrop

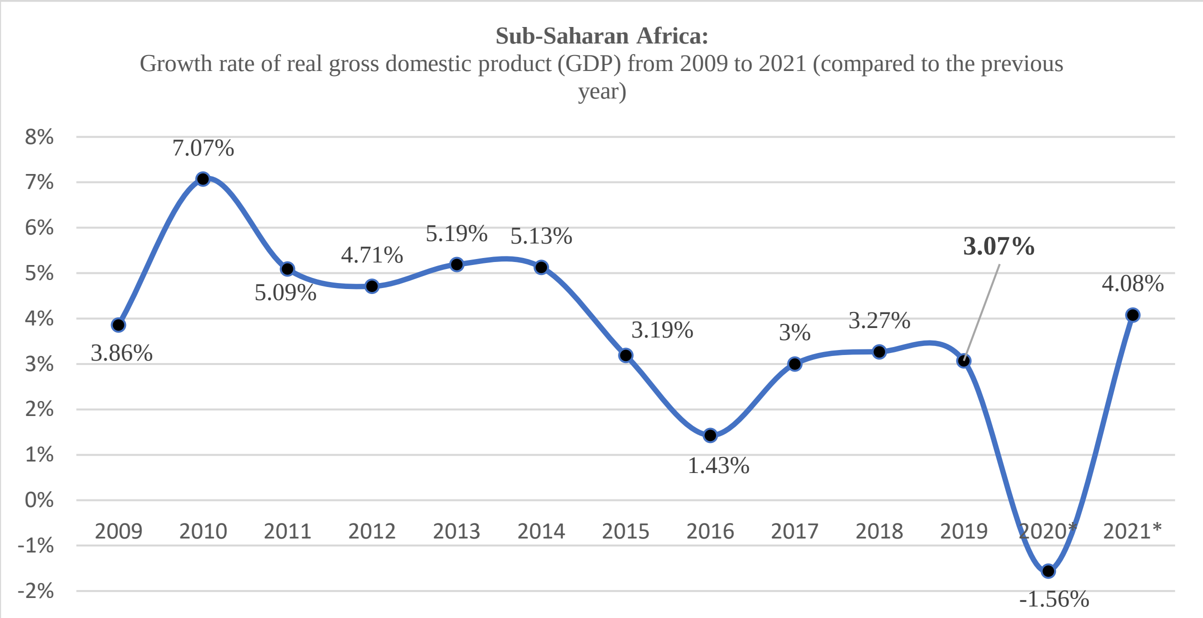
Africa is a vast continent comprising 54 countries and sub-Saharan Africa is the area of the African continent south of Sahara, where 46 out of Africa's 54 countries are located.

Market conditions vary considerably between countries of the African continent and therefore country-specific strategies are often required. Efforts undertaken to deepen regional and sub-regional integration to boost market size and enable greater diversity differ greatly among regions and in their relative effectiveness. Consequently, most foreign business interests in sub-Saharan Africa continue to be concentrated within the major economies of the region, such as

[1] Singapore enterprises are defined here as incorporated and based in Singapore, with at least 30% local shareholding.

South Africa, Nigeria and Kenya. Certain economic commonalities that prove critical in understanding business decisions exist among these countries.

In 2019, the real Gross Domestic Product (GDP) in sub-Saharan Africa grew by approximately 3.1% compared to the previous year[2]. This is a slight decline from 2018 and represents a modest recovery from a slowdown that began in 2015.



Source: Statista[3]

According to The Global Competitiveness Report 2019, sub-Saharan Africa was ranked as the least competitive region, with 25 out of the 34 economies assessed to have scored below 50 on the Global Competitiveness Index[4]. On the basis of ranking, Mauritius, the most competitive in the region, was positioned at 52nd place, followed by South Africa (60th). While Namibia (94th), Rwanda (100th), Uganda (115th) and Guinea (122nd) have seen upward movements in their rankings over the years, they nonetheless remain at the tail-end of the ranking table.[5]

Population-wise, Africa is the fastest-growing continent. It is expected to account for more than 50% of global population growth by 2050, with sub-Saharan Africa recording the highest global population growth rate. According to projections by the United Nations (UN), the number of people in sub-Saharan Africa is likely to double to two billion by 2050[6].

[2] Data release as of April 2020. **Statista**, Gross domestic product (GDP) growth rate in Sub-Saharan Africa, with projections up to 2021 https://www.statista.com/statistics/805560/gross-domestic-product-gdp-growth-rate-in-sub-saharan-africa
[3] Ibid; Graph generated using raw data from Statista: Gross domestic product (GDP) growth rate in Sub-Saharan Africa, with projections up to 2021
[4] The results of the Global Competitiveness Index (GCI) 4.0 in 2019 reveal that, on average, most economies continue to be far from the competitiveness "frontier"—the aggregate ideal across all factors of competitiveness. Performance is also mixed across the 12 pillars of the index. The 12 pillars are Institutions; Infrastructure; ICT adoption; Macroeconomic stability; Health; Skills; Product market; Labour market; Financial system; Market size; Business dynamism; and Innovation capability http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf
[5] https://furtherafrica.com/2019/10/20/5-sadc-countries-in-top-100-global-competitiveness-index
[6] https://www.un.org/en/sections/issues-depth/population/

Young people constitute a growing part of Africa's overall population. Almost 60% of Africa's population in 2019 is under the age of 25, making Africa the continent with the world's youngest population.

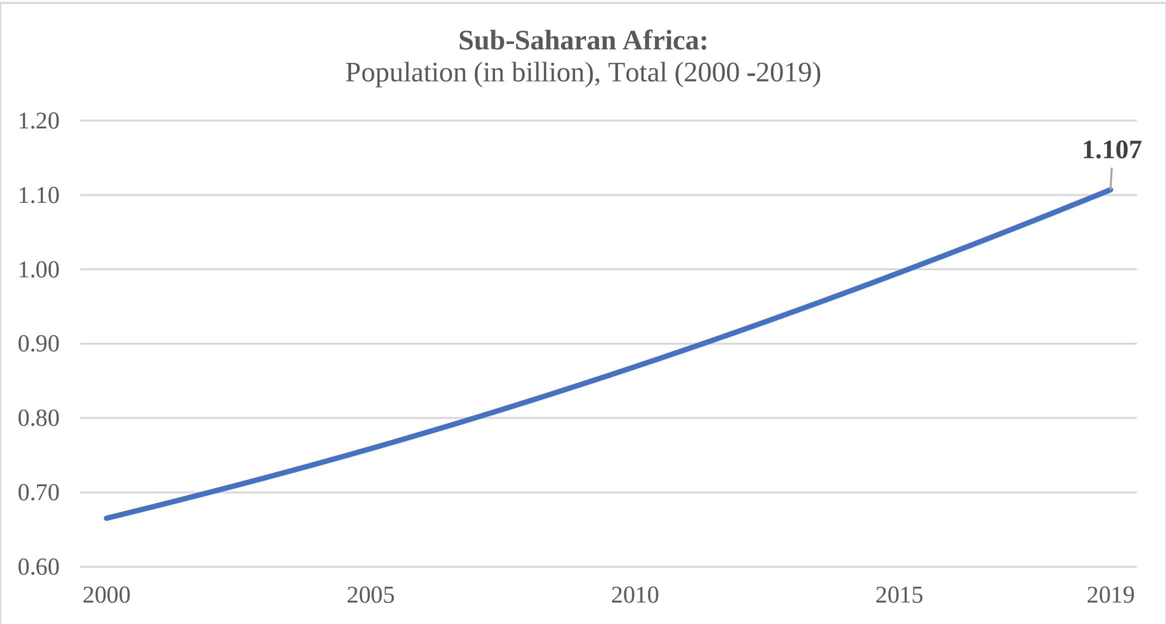
The growing young population in sub-Saharan Africa presents both opportunities and challenges. In many developing economies, a large young labour pool is seen as an advantage that enables the establishment of an economic base that facilitates the gradual reversal in poverty trends[7]. A large young labour pool also provides opportunities for businesses targeting the consumption needs of this demographic segment. Notwithstanding, challenges remain in the creation of quality and formal employment.

3. The Competitive Landscape of Sub-Saharan Africa

3.1. Economic and Social Challenges of a Growing Population

Projected to account for more than 50% of global population growth by 2050, Africa is expected to be the fastest growing continent.

As of 2019, the total population in sub-Saharan Africa stood at 1.1 billion. This is an increase of approximately 2.7% compared to the previous year[8].

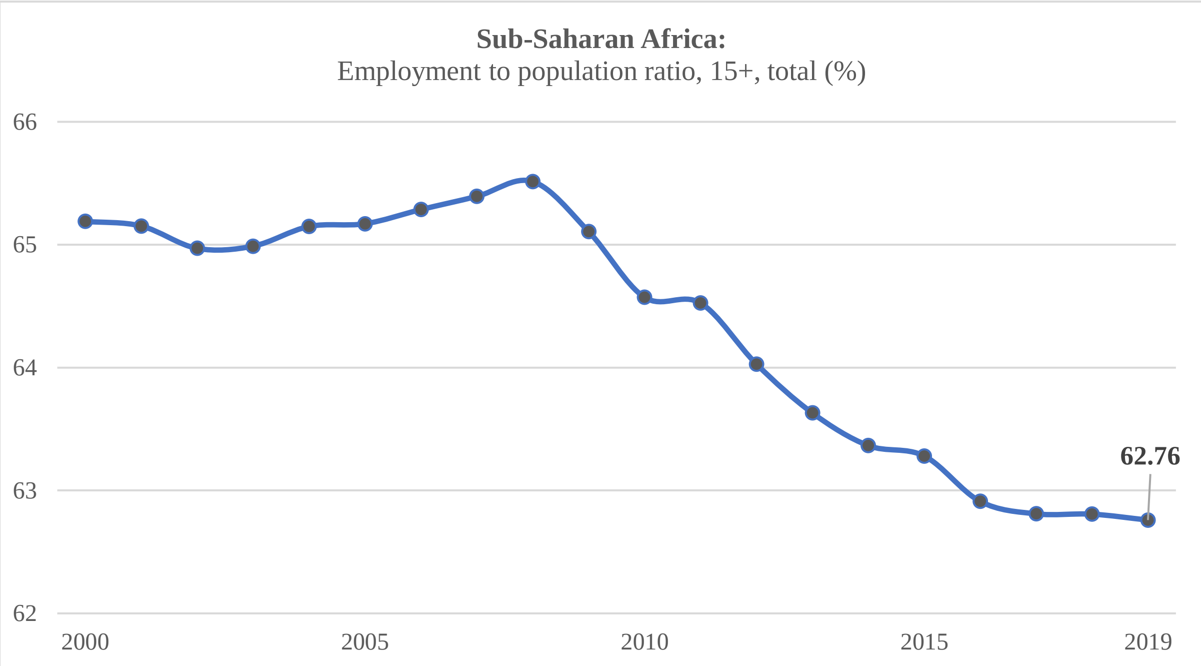


Source: World Bank[9]

[7] https://blog.euromonitor.com/special-report-the-worlds-youngest-populations
[8] Data release as of July 2020. **Statista**, Population Growth in sub-Saharan Africa https://www.statista.com/statistics/805619/population-growth-in-sub-Saharan -africa/
[9] Graph generated using raw data from **World Bank:** Total population in sub-Saharan Africa https://data.worldbank.org/region/sub-Saharan-africa

More significantly, almost 60% of Africa's population in 2019 was under the age of 25, making Africa the continent with the world's youngest population[10]. Africa's growing youth base[11] is its biggest resource and offers enormous potential. Relative to other regions which typically face an ageing population along with corresponding issues like escalating healthcare costs, the youthful population in Africa presents an opportunity for greater income growth and innovation. Yet this demographic also presents its own set of economic and social challenges, breeding other forms of economic insecurities and instabilities.

With its working population growing rapidly, there is a need to add new jobs to the region's economies year on year. By 2035, the number of sub-Saharan Africans reaching the working age of 15-64 will exceed that of the rest of the world combined, adding 12 million headcount to sub-Saharan Africa's labour force every year[12]. Job creation in the region has struggled in the recent past to keep pace with population growth. In 2019, the employment to population ratio stood at 62.8%.



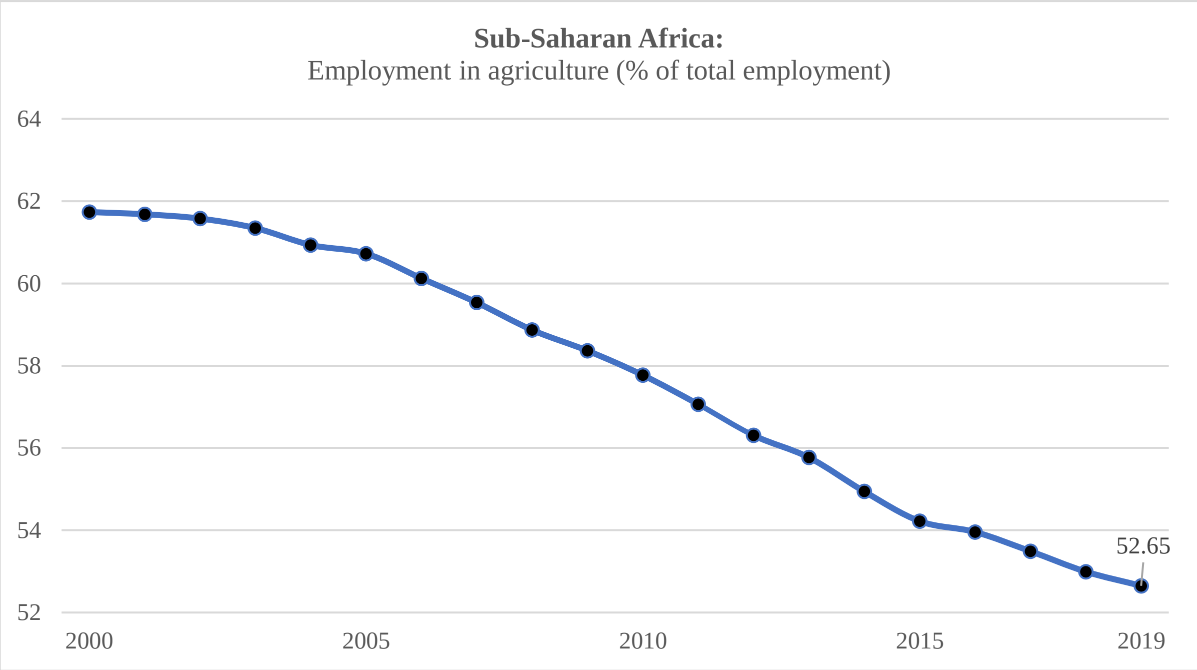
Source: World Bank[13]

Although economic growth rates remain high, the capacity to create more jobs remains low due to inadequate policy intervention, support and programmes. Majority of the new jobs created is primarily in sectors with low productivity levels, such as agriculture and services of a manual nature. This naturally leads to issues related to the quality of the newly created jobs.

[10] https://mo.ibrahim.foundation/news/2019/africas-first-challenge-youth-bulge-stuck-waithood
[11] According to United Nations, 'youth' is defined as those persons between the ages of 15 and 24 years
[12] DEEP DIVES: Africa Human Capital Plan, http://pubdocs.worldbank.org/en/654061554987621944/HCP-Africa-Deep-Dives.pdf
[13] International Labour Organization, ILOSTAT database. Data retrieved on June 21, 2020. Graph generated using raw data from **World Bank:** Employment to population ratio, 15+, total (%). Employment to population ratio is the proportion of a country's population that is employed. Ages 15 and older are generally considered the working-age population (modelled ILO estimate) https://data.worldbank.org/indicator/SL.EMP.TOTL.SP.ZS?locations=ZG

3.1.1. Unlocking the Potential of Agriculture with Skilled Labour

Agriculture remains a key sector in sub-Saharan African economies, constituting 23% of its GDP[14]. While the proportion of labour employed within the agricultural sector has been gradually shrinking over the years, it nonetheless constitutes a sizeable 53% of total employment[15].



Source: World Bank[16]

This large labour pool is particularly attractive for businesses operating within the agribusiness sector, which often requires large numbers of workers. New policy initiatives and investments in support of agricultural innovation and growth are also emerging.

The scope for agricultural modernisation in unlocking the sector's potential is huge. There are vast but untapped opportunities within the value chain in the food space such as food processing, according to business operators in the agribusiness sector. Given the growing middle-class, there is a growing demand for soft commodities, presenting opportunities not only in agricultural production but also across agri-food systems.

Notwithstanding, there are several obstacles in the further advancement of agribusinesses within the region, in particular in the areas of knowledge and skills development to enhance the productivity of the workforce. These impediments seem to also permeate other sectors within sub-Saharan Africa.

[14] https://www.mckinsey.com/industries/agriculture/our-insights/winning-in-africas-agricultural-market
[15] **World Bank,** Employment in agriculture (% of total employment) https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=ZG
[16] International Labour Organization, ILOSTAT database. Data retrieved on June 21, 2020. Graph generated using raw data from **World Bank:** Employment in agriculture (% of total employment) (modeled ILO estimate) https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=ZG

3.1.2. Impact of Skilled Labour Shortage Across Sectors

The lack of operational proficiency and the cost of training pose challenges for companies. Farm organisations are often poorly managed when there is a shortage of skilled managers to oversee operations and maintain production efficiency.

Other sectors such as Information and Communications Technology (ICT) and Healthcare are also plagued by the same challenge, i.e., the inability of finding skilled labour with strong technical capabilities. Inadequate training facilities in sub-Saharan Africa have also resulted in higher operating costs for some companies. In addition to training costs, the extended period of time needed (as a result of visa application) to transport employees to Singapore for training has been cited as another key impediment to business sustainability.

Inadequate investment, especially in the growing youth population, limits the region's ability in enabling its population to reach its full productive potential and contribute meaningfully to economic development. Findings from the World Economic Forum's Human Capital Index[17] reveal that sub-Saharan Africa, on average, currently only captures 55% of its full human capital potential, compared to the global average of 65%[18].

The governments of the countries in sub-Saharan Africa need to recognise the potential growth opportunity that can be derived by the development and adoption of future-ready strategies for education and job creation[19]. Setting the foundation for both the current and future workforce also requires a deliberate policy approach, institutional investment, and commitment by the private sector[20].

3.1.3. A Need for Flexibility in the Labour Market

In many African countries, strict legislation regulates individual employment relations with employers, including stipulated provisions on hiring, maximum hours of work, overtime, minimum wage, protection against unwarranted dismissal, and severance pay[21].

Broadly, the labour market in Africa is perceived as the most rigid and costly in the world, as measured by 'Doing Business', a flagship publication of the World Bank. High mandatory benefits, social insurance, and labour taxes increase costs further. Consequently, more caution is exercised in the hiring of native staff. Such policies make it especially difficult and challenging for companies to re-organise, re-assign and retrench employees when a mismatch between skillsets and jobs occurs.

---

[17] Human Capital Index measures the extent to which countries and economies optimize their human capital through education and skills development and its deployment throughout the life-course.

[18] The World Economic Forum Report, May 2017 http://www3.weforum.org/docs/WEF_EGW_FOJ_Africa.pdf
World Economic Forum's Human Capital Index measures the extent to which countries and economies optimize their human capital through education and skills development and its deployment throughout the life-course.

[19] https://www.weforum.org/agenda/2019/09/why-the-skills-gap-remains-wider-in-africa

[20] Ibid.

[21] https://www.researchgate.net/figure/Indicators-of-Labor-Flexibility-by-Region_tbl1_254995749

3.2. Infrastructure Development as the Key Driver of Growth

Urbanisation, economic growth and a rapidly growing population present huge opportunities for companies in the infrastructure and urban planning sector. However, such opportunities come with corresponding challenges when the implementation of core infrastructure capabilities cannot keep pace with rapid economic growth.

The lack of infrastructure creates barriers for businesses with implications on the region's economic development. Many infrastructural provisions which are usually taken as given in developed markets become important decision-making factors in frontier markets, especially in sectors such as ICT, Transportation, Supply Chain, and Electrical Power Supply.

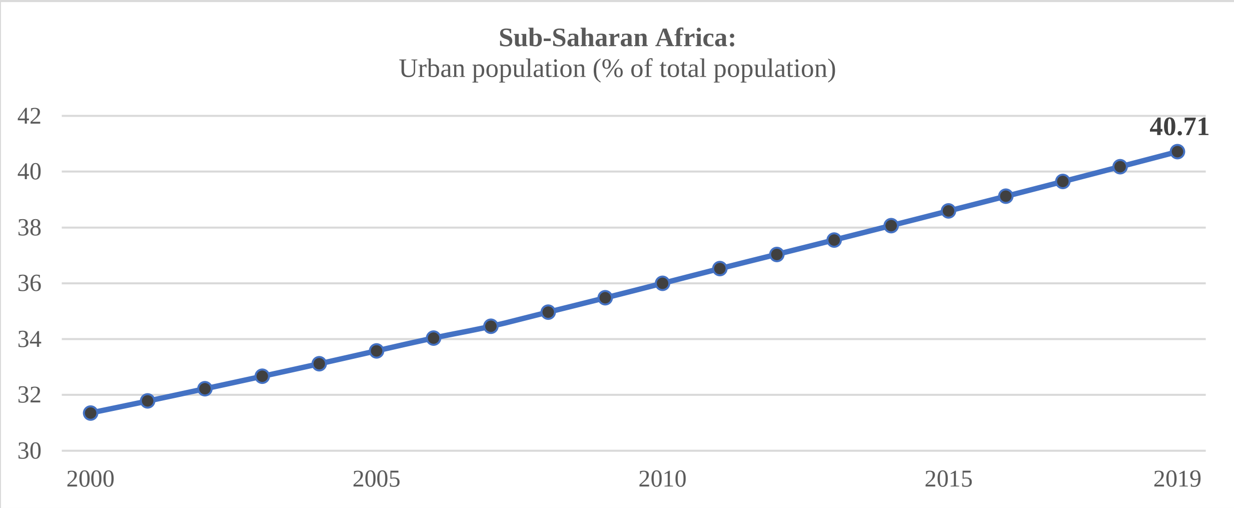
According to the World Economic Forum's Global Competitiveness Report 2019[22], the infrastructure performance in sub-Saharan Africa remains poor on average, with a score of 45. This score clearly reveals an infrastructure bottleneck that needs to be addressed. The poor infrastructure adds to sub-Saharan Africa's geographic disadvantage, resulting in high transport costs that impede intra- and inter-regional trade.

3.2.1. Urbanisation and the Opportunities It Brings

African countries are presently in the early stages of urbanisation. There is an estimated 472 million people in Africa's urban areas[23]. This is projected to double over the next 25 years. The global share of urban residents in Africa is projected to grow from 11.3% in 2010 to 20.2% by 2050[24].

Compared with a global urban population growth rate of 1.8%[25], sub-Saharan Africa's annual urban population growth rate currently stands at 4.0%[26]. In 2019, 40.7% of sub-Saharan Africa's total population lived in urban areas and cities. Sub-Saharan Africa is often regarded as the world's fastest urbanising region.

[22] http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf
[23] https://www.worldbank.org/en/region/afr/publication/africa-cities-opening-doors-world
[24] https://theconversation.com/urban-spread-is-turning-the-lives-of-ghanaian-farmers-upside-down-139057
[25] **World Bank,** Urban Population Growth Rate (Annual %) https://data.World Bank.org/indicator/SP.URB.GROW
[26] **World Bank,** Urban Population Growth Rate (Annual %) – Sub-Saharan Africa https://data.worldbank.org/indicator/SP.URB.GROW?locations=ZG



Source: World Bank [27]

The region's growing population and rapid urbanisation present huge opportunities for companies in the construction and urban planning sector. According to a UN report in 2016, Africa requires around 4 million housing units per year, with over 60% of the demand catering to the accommodation of urban residents[28]. Proper urban planning can be a valuable source of sustainable economic development. In a report by Mace Group [29], the overall outlook for construction activity in sub-Saharan Africa is strong. Although this may be affected by the COVID-19 global pandemic, the medium to long-term growth potential is still there.

Notwithstanding, rapid population growth without in-tandem growth in improved infrastructure and services can give rise to detrimental effects. According to Shelter Afrique[30], majority of African countries are experiencing a housing crisis as a result of rapid population growth, increased urbanization and low availability of affordable housing[31]. The situation is exacerbated by the lack of affordable housing finance, high urban land prices, weak tenure security, rising construction costs and rapid slum development.

Given that each nation faces a different and complex range of political and economic challenges, this may potentially affect the positive outlook. The outlook for construction is also challenged by the increasing cost of construction materials and the already strained 'contractor capacity'. This creates a challenging procurement environment in part due to upward pressure exerted on construction costs, which is expected to continue over the medium term.

On the demand side, though, construction using pre-fabricated materials often enjoy good demand in sub-Saharan Africa, largely due to the following factors:

[27] Graph generated using raw data from **World Bank:** Total population lived in urban areas and cities https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?end=2018&locations=ZG&start=2000
[28] https://www.un.org/africarenewal/magazine/april-2016/africa%E2%80%99s-cities-future
[29] Perspectives: Sub-Saharan Africa construction sector to grow despite concerns https://www.macegroup.com/perspectives/190507-sub-saharan-africa-construction-sector-to-grow-despite-concerns
[30] Shelter Afrique is the only pan-African finance institution that exclusively supports the development of the housing and real estate sector in Africa.
[31] https://allafrica.com/stories/201904230072.html#:~:text=PhotoEssays-,Africa%20Requires%20Four%20Million%20Housing%20Units%20Per%20Annum,Its%20Housing%20Need%20%2D%20Shelter%20Afrique

(1) it speeds up construction work as compared to traditional building technology, which is critical in rapidly growing cities;

(2) in frontier markets where regulatory standards are lacking and enforcement weaker, the methodological assembly approach employed by the use of imported pre-fab components is perceived to be safer and more up-to-standard; with traditional construction, variation is costly once work commences[32];

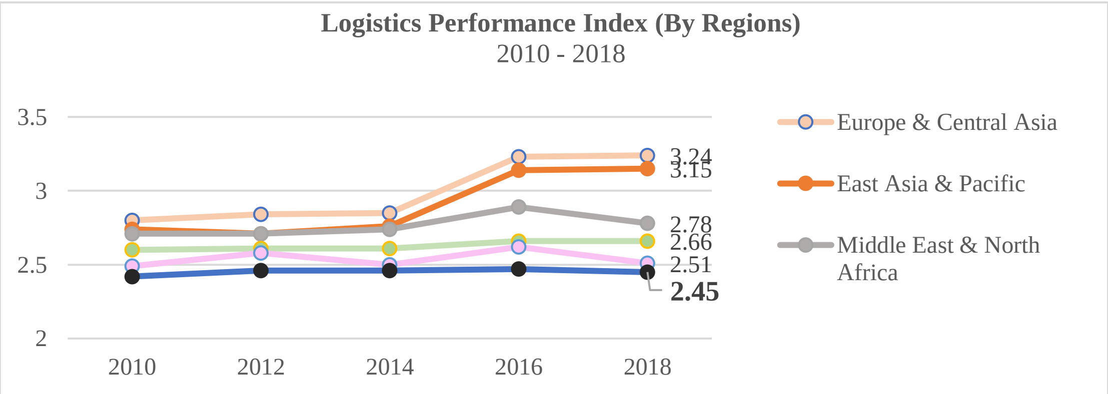
(3) the ease of customisability allows for pre-fab to be implemented on a wide variety of geographical conditions; and

(4) as a result of the 'smart cities' movement currently gaining traction in the region, governments often desire to showcase technological progress and innovation in their developments.

3.2.2. The Importance of Connectivity

The establishment of an efficient network of transport and logistics is fundamental to the operational success of businesses as they provide access to consumer markets, foster regional integration, and enhance connectivity to the global economy. It also directly impacts a country's import and export handling capacity, the development of transportation routes, frequency of shipments, cost of freight handling, storage, distribution, and other related ancillary services.

Overcoming Africa's under-developed infrastructure remains a major challenge for transport and logistics operators, especially so for companies that are highly dependent on the efficient management of supply chains for strategic sourcing. According to the World Bank's list of development indicators, the Logistics Performance Index (LPI) reading for the sub-Saharan African region consistently hovered below 2.5, tailing even the indices of other developing regions.



Source: World Bank[33]

[32] Given that planning and execution are typically not seen as areas of strength in developing institutions, the likelihood of variation is higher. Pre-fab components allow for better customization in-situ at a lower variation over-run
[33] Graph generated using raw data from **World Bank**: **Logistics Performance Index** (LPI), Scorecard by World Regions https://lpi.worldbank.org/international/scorecard/radar/254/C/DEU/2018/R/EAP/2018/R/ECA/2018/R/LAC/2018/R/MNA/2018/R/SAS/2018/R/SSA/2018?featured=17

Local companies share how leveraging on innovation, with the help of blockchains and IoT, makes a difference in the logistics space. There is tracking and monitoring visibility for banks offering cargo movement financing. In Ghana, for example, there is close coordination with the national petroleum authority on tracking the volume of petrol across major petrol depots. This helps the authority to anticipate potential mishandling and ensure common pricing across countries within sub-Saharan Africa.

Airfreight is a key enabler of international trade in the logistics space. Connectivity, in this regard, is a vital factor. The availability of cargo aircraft and the reliability of air transport differ between countries, making it essential to have sound local knowledge. Businesses noted that Singapore has limited direct air connectivity to Africa and emphasized the need for more freight links to promote trade and facilitate the expansion of business operations located in the region.

3.2.3. Tapping on the Opportunities Available in the World's Fastest Growing Region for Mobile Devices

While the use of mobile gadgets has become widespread, internet penetration in sub-Saharan Africa remains the lowest in the world — less than half the global average.[34]

According to the World Bank, despite having taken giant steps forward, Africa is still home to 21 of the 25 least-connected countries in the world, characterised by weak physical infrastructure, large rural populations, and a high proportion of unbanked consumers. Only 22% of Africans have access to internet connectivity.

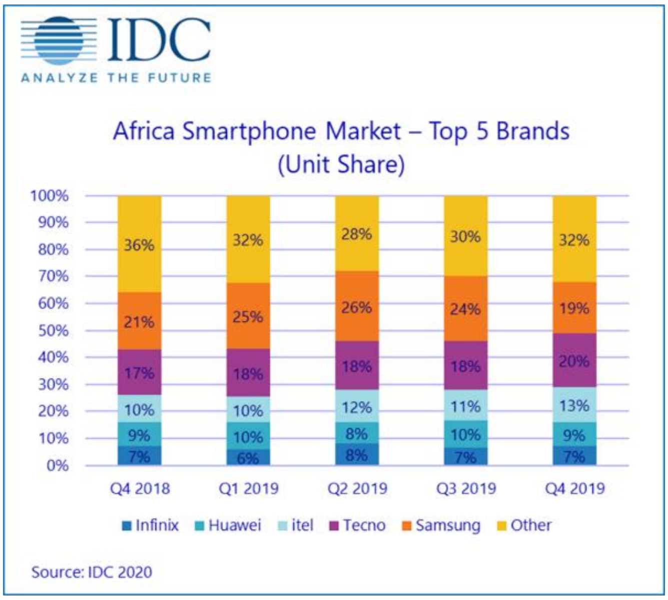
In 2019, the Global System Mobile Association (GSMA)[35] reported that there are more than 3.5 billion mobile internet subscribers globally, representing 47% of the world's population. However, the distribution is uneven, with mobile internet adoption accounting for 24% in sub-Saharan Africa. The region also accounts for 40% of the global population not covered by a mobile broadband network.

The smartphone market in Africa is highly competitive. According to a 2020 report by the International Data Corporation (IDC), Chinese phone manufacturers continue to dominate Africa's smartphone space in Q4 2019, with approximately 49% unit share. This is followed by Samsung, with 19% unit share.

---

[34] https://www.imf.org/~/media/Files/Publications/DP/2018/48333-dp1818-the-future-of-work-in-ssa.ashx

[35] **Global System Mobile Association**, Mobile Internet Connectivity 2019, Sub-Saharan Africa Factsheet, https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/07/Mobile-Internet-Connectivity-SSA-Factsheet.pdf



Sub-Saharan Africa is the world's fastest growing region for mobile devices in recent years. Affordable pricing is one reason for this. In frontier markets with a large base of low-income population, competition often comes in the form of offering the greatest number of features at the lowest price possible, creating maximum value for consumers. Businesses indicate that this allows them the space to manoeuvre and position their brands as affordable yet matching expectations on the basis of quality.

Within the region, the following product brands/types thrive within the cell phone space: (i) domestic brands, (ii) high-end brands (e.g. Apple, Samsung), and (iii) other foreign products positioned within the lower-to-mid price category (mostly Chinese brands). While the domestic products enjoy a larger market share by volume, foreign competitors have better access to capital and hence able to compete on the basis of financial strength. Premium cell phones, though highly desired, are usually priced beyond the reach of the average consumer. The same Apple or Samsung phone models are somewhat priced more steeply in the region than in Singapore due to their limited supply and perception as status symbols in these under-developed economies. It is also not uncommon for Samsung and Apple to retail older models in these frontier markets. Chinese cell phones, while commanding substantial market share, will have to contend with consumer perceptions. Apart from affordability, consumers are also disinclined in shelling out more money for a 3G or 4G phone as the 2G network is still considered most reliable in the region, making the basic 2G phone the most popular and common form of mobile device owned by sub-Saharan Africans.

Brand differentiation in this regard remains pivotal.

3.3. The Credit Environment and Access to Financing

One of the many challenges to business growth in the region is the lack of access to affordable financing.

Sub-Saharan Africa has made progress in financial development over past years, but there is still considerable scope for further development, compared with other regions[36].

Access to financing remains a key constraint to doing business in sub-Saharan Africa with financial structures still facing problems of scale and volatility, with signs of limited intermediation capacity in the region. This is one of the key obstacles to the growth of enterprises, as significant working capital is needed to build a sustainable business.

3.3.1. Challenges Due to a Lack of Support on International Financing

Countries with Export-Import (EXIM) banks enjoy a formal, institutionalised structure that seeks to support their enterprises in emerging and frontier markets. This provides, to some extent, a competitive advantage. Aside from obtaining international financing in frontier markets, these enterprises also enjoy the competitive advantage of having the option to refer their sub-Saharan African business partners to EXIM financing offered by their home countries.

Many Singapore businesses, especially the smaller enterprises, struggle to secure international banking and credit facilities on their own. Local SMEs doing business in sub-Saharan Africa also do not have access to tier 1 global banks[37]. They often face the challenge of having to assure lenders of their financial standing and creditworthiness, and convincing lenders to invest in projects of a higher risk, particularly for new markets, technologies, and systems that do not fall within conventional standards. Consequently, there is a tendency to mitigate risks by doing business jointly with other foreigners in sub-Saharan Africa or with the larger sub-Saharan African firms. The potential of doing business with the large pool of African SMEs are therefore often not developed.

In this regard, businesses feel that the establishment of an EXIM Bank for Singapore may prove helpful especially for local SMEs in enhancing their financial positions as well as promoting stability in cross-border trade finance. Having no official Export Credit Agency (ECA) or an EXIM bank in Singapore is perceived to place Singapore companies at a disadvantage over their Organisation for Economic Co-operation and Development (OECD) counterparts.

Large and established financial institutions may also not fully understand the specific needs of small businesses or be as willing to co-invest or share the risks with them to capitalise on a project. There is therefore a strong preference for smaller firms to do business with other foreign firms operating in sub-Saharan Africa or African MNCs due to their access to international banking facilities and foreign currencies.

Other than the need for proper risk mitigation mechanisms, issues like operational and administrative inefficiencies also impede the growth of companies in numerous ways. On several occasions, business opportunities with smaller sub-Saharan African companies are missed since Singapore banks do not accept Letters of Credit from sub-Saharan African SMEs which are denominated in their local currencies.

[36] https://www.elibrary.imf.org/view/IMF086/23286-9781498388139/23286978149838 8139/ch03.xml?language=en&redirect=true
[37] Top 1000 World Banks 2020: Top 10 banks by Tier 1 capital: Globally https://www.thebanker.com/Top-1000

Given the lack of credit and banking facilities, financing on the ground often originates from investors or companies' cash reserves, which in this case, can act as a drag on cash flow, impeding business expansion and growth. The inability to obtain banking services is reinforced when most business partners are native sub-Saharan African sub-contractors who transact in cash terms in local currencies of the frontier markets they operate in.

Payment systems are likewise less advanced in frontier markets. To resolve this, Singapore companies, due to the lack of US-dollar availability in the economies of sub-Saharan Africa, often do business with local partners using payment provisions outside of the region, for instance, being paid by a Ghanaian company via a bank in Paris for goods received in Ghana. As such infrastructures are not available to many African SMEs, this limits business opportunities to larger sub-Saharan African companies and international companies operating within the region.

It is largely perceived by the Singapore business community engaged in the region, that the establishment of an EXIM bank may prove useful in bridging the aforementioned gaps and also ensure a more focused approach in meeting the other needs and requirements of small businesses.

3.3.2. Impact of Exchange Rate Volatility

Exchange rates play a vital role in a country's trade performance. Inadequacy in foreign exchange and weak local currency continue to remain key challenges for the Singapore business community operating in the region.

Inability in gaining access to foreign currencies widely used for international business poses a major challenge to doing business in the region. While foreign companies operating out of the region have access to foreign currencies via global banks, their local B2B partners and consumers are vulnerable to exchange rate fluctuations and their availability. 'Grey' markets are also said to exist where foreign currencies are exchanged at non-official rates.

Operationally, banks in sub-Saharan Africa are typically less efficient than those in other regions and, as a result, financial services are more expensive with higher interest rates attached to loans. Companies seeking funding from international banks are at additional risk of exchange rate fluctuations, since the loan is typically denominated in USD currency, but is expensed in local currencies.

Hedging is one way for these companies to minimise their financial and currency risks. The importance of localisation and the capacity to localise, to some extent, can help to reduce a company's exposure to fluctuating currencies and financial risks. Businesses highlighted the need to obtain resources locally to mitigate such risks that emanate via imports. In resolving this issue, enterprises would typically lend to smaller local business partners, while concurrently conduct financial hedging against currency fluctuations. It was acknowledged though that not all types of businesses can readily be hedged against operational risks. Many smaller-sized companies may also lack the capacity to do so.

3.3.3. High Financing Cost Another Deterrent Factor

Aside from the availability of financing options, pricing also poses another key challenge as they are ineligible for Export-Import Bank (EXIM)/ Export Credit Agency (ECA) equivalent type of subsidies from Enterprise Singapore (ESG). This is partly because they may not have fulfilled all the qualifying criteria for applying such subsidies, such as sales or group revenue and employment size, etc. This is particularly difficult especially so for SMEs with less than a year of operating record. These businesses either take out private credit insurances in Singapore or transfer their finance functions to US or Europe, which provide global credit facilities, but at higher costs. Doing so reduces the companies' credit risks and enables the companies to operate at arm's length from politically unstable jurisdictions within frontier markets.

3.3.4. Financial Technology (FinTech) and Financial Inclusion

FinTech is seen as a significant force shaping the nature of the financial industry in sub-Saharan Africa. This potentially enhances financial inclusion and acts as a catalyst for innovation in other sectors, such as agriculture and infrastructure, which foster economic growth and development. New technologies are being developed and implemented in sub-Saharan Africa with the potential to shift the competitive environment in the financial sector.

While sub-Saharan Africa lags the rest of the world in terms of access to finance, the rapid rise in FinTech can help facilitate the access to finance more readily and cheaply. Evolving information and communication technologies challenge conventional financial structures and increase the level of productivity by opening up the value chain of financial services. FinTech offers avenues to extend access to credit as emerging technologies help overcome informational barriers and reduce the cost of cross-border transactions.

Furthermore, given that current technologies face issues related to scalability and high energy consumption, the use of distributed ledger technology is increasingly seen as a plausible solution in enhancing efficiency, boosting security, and enabling greater transparency of payment systems in sub-Saharan Africa, which is expected to lead to lower trading costs. This untapped resource can help create jobs, improve employee productivity and increase the efficiency of businesses.

3.4. Impact of COVID-19 on Businesses

Increased volatility in the global environment, as a result of COVID-19, continues to adversely impact sub-Saharan Africa.

The World Health Organisation had warned of the risk of COVID-19 spreading rapidly in countries with poorer health systems, including that of sub-Saharan Africa. Poor sanitation facilities, lack of proper medical equipment, inadequate funding, insufficient training of healthcare workers, and urban overcrowding pose additional challenges in the battle against the highly infectious virus. COVID-19 has brought about an economic crisis in sub-Saharan Africa also as a result of the impact of the pandemic on its key trading partners, causing disruptions to global travel and supply and the southward spiral in global commodity prices, especially for oil and industrial metals[38].

The pandemic has adversely impacted the region's 3 largest economies —Nigeria, South Africa, and Angola— placing the brakes on investment[39]. South Africa recorded the largest number of confirmed cases in the region[40], and strict measures to contain and mitigate the spread of the virus have weighed heavily on the economy. One of the challenges highlighted is the difficulty of restricting economic activities in rural areas, particularly those involved in subsistence agriculture. Moreover, given the weak healthcare system, most companies are unable to assess the effects that COVID-19 will likely inflict in the event of a full-blown scenario. Amid such vulnerabilities, most businesses engaged in the region are adopting a wait-and-see approach.

The following sections discuss the opportunities and challenges faced by companies during the pandemic.

3.4.1. Navigating Operations During the Pandemic

Lockdowns, border closures and restrictions on the movement of people and goods have had a significant impact on businesses across various economic sectors.

Companies in the construction sector had to halt the implementation of projects for more than 6 months. Labour shortages often cause major disruptions in this labour-intensive sector. Construction projects are highly vulnerable to supply shortages as materials are usually manufactured from key trading partners within the supply chain.

Sea shipments have slowed, and air freight processes have also become more complex. Only a few air cargo companies are operating in some of the key countries, leading to an increase in the cost of air cargo.

Despite this, freight forwarding remains possible but with limited connections. This is where companies see a disruption in their supply chain, with losses arising from delays in delivering contractual obligations and the re-negotiation of terms. While major logistical and critical supply disruptions are slowly being restored, the outlook in the coming months remains difficult.

3.4.2. Planning for Recovery Amid Uncertainties

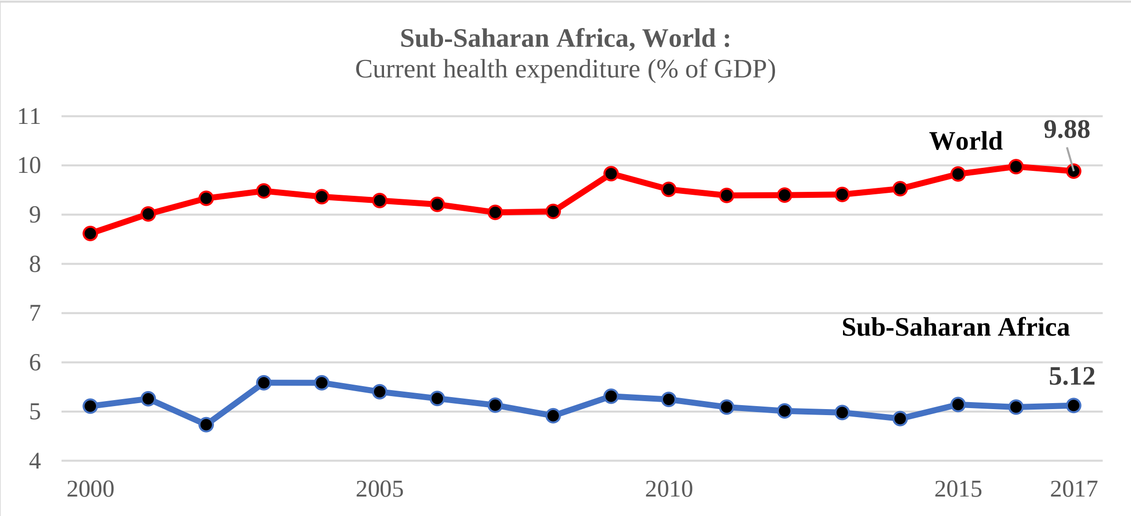
The recovery of sub-Saharan Africa's economy from COVID-19 will likely be sluggish and uncertain. The economy is now forecast to contract by 3.2% in 2020; a further downward revision from what was predicted in April 2020.[41]

---

[38] World Bank Group, Global Economic Prospects, June 2020, Page 119, Figure 2.6.1.C https://openknowledge.worldbank.org/bitstream/handle/10986/33748/9781464815539.pdf
[39] https://www.jircas.go.jp/en/program/program_d/blog/20200409_0
[40] https://covid19africawatch.org/data-and-charts/
[41] https://www.imf.org/en/News/Articles/2020/06/27/pr20249-sub-saharan-africa-a-cautious-reopening

Even as Africa remains dependent on foreign donors for financing, it will be a long road towards recovery as donor countries are expected to tend first to their own economies in the aftermath of COVID-19.

The International Monetary Fund (IMF) expects some growth in 22 of the region's 49 economies in 2020, albeit coming in on the low side, particularly on a per capita basis[42]. The resulting fiscal challenges mean that any projected recovery in 2021 will not be as pronounced as may be the case in other parts of the world. Nonetheless, businesses noted that uncertainties in the aftermath of the pandemic could lead to long-term adjustments that open up new opportunities for investors. Businesses also expressed hope that the current situation will nudge policymakers into examining how they can seize this opportunity to forge a more sustainable vision for the future, given the long road to recovery.



Source: World Bank [43]

In light of prevailing developments, there are sectors in which investment dollars are highly welcomed by the government. Healthcare is the most evident. Most African governments have acted rapidly in the implementation of lockdowns because they are cognizant of the fact that their under-resourced healthcare systems will not be able to cope with large-scale outbreaks. Healthcare spending in sub-Saharan Africa hovers around 5% of GDP as compared to the global average of nearly twice that.

The COVID-19 outbreak also brought to the fore the importance of information and communications technology, already a sector experiencing rapid growth in sub-Saharan Africa. While most economic sectors were negatively impacted by the pandemic, a particular digital solutions firm offering security and surveillance solutions in the region saw an increase in its business revenues. The implementation of business continuity plans (BCP) contributed to the spike in demand. Artificial Intelligence (AI) surveillance was also widely used for the remote control of operations and productivity, with virtual AI security systems helping to reduce the need and frequency for manual interventions and activities. Contactless attendance marking

[42] https://www.controlrisks.com/our-thinking/insights/the-economic-impact-of-covid-19-on-sub-saharan-africa
[43] Graph generated using raw data from **World Bank**: Current health expenditure (% of GDP) - Sub-Saharan Africa, World https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=ZG-1W

via facial recognition, and AI's ability to flag people who flout safe distancing rules are some of the appealing AI features that also cater well to both manufacturing companies and governments in the region.

The speed of digitalisation has also accelerated in the financial sector. Mobile money and other digital payment systems are becoming more widely used, nudging people to shift to cashless transactions. The adoption of such systems helps to slow the spread of the virus and also serves to facilitate e-commerce while maintaining social distancing. In Kenya, for example, the mobile money platform 'M-Pesa', operated by the telecommunications giant Safaricom, has more than 20 million active users out of a population of 47 million[44].

Sub-Saharan Africa has also seen an increase in the use of mobile tech solutions. From 'WhatsApp' messaging service to virtual chatbot, solutions such as these encourage governmental efforts to rapidly disseminate timely information and provide immediate answers to queries.

4. Governmental Schemes[45]

The rapidly evolving market landscape and increased use of digital tools have changed the way corporations, markets and businesses operate. Opportunities may be abundant, but competition is increasingly intense.

The economic relationship between Singapore and Africa has been growing from strength to strength[46]. As the largest ASEAN investor in Africa, Singapore's direct investment in the continent amounted to SGD28.7 billion as of 2018[47]. Over 60 Singapore-headquartered companies are currently operating in more than 40 countries across Africa, and more are looking to expand their operations as the continent continues to open its doors, embracing digitalisation, economic integration and global trade[48].

From start-ups and SMEs to high-growth companies, ESG works with businesses in building up their capabilities, facilitating the development of innovative solutions, and smoothing the road to internationalisation.

This section places the spotlight on ESG grants which were given mention by FGD participants.

[44] Here's how Africans are using tech to combat the coronavirus pandemic https://www.weforum.org/agenda/2020/04/africa-technology-coronavirus-covid19-innovation-mobile-tech-pandemic/
[45] Enterprise Singapore, https://www.enterprisesg.gov.sg/about-us/overview
[46] Singapore Strengthens Economic Ties with African Countries https://www.mof.gov.sg/newsroom/press-releases/Singapore-Strengthens-Economic-Ties-with-African-Countries
[47] **Department of Statistics Singapore**, Singapore's Direct Investment Abroad By Country/Region And Activity Abroad (Stock As At Year-End), Annual https://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=17029
[48] Africa-Singapore cooperation: a win-win for businesses, people https://www.businesstimes.com.sg/opinion/africa-singapore-cooperation-a-win-win-for-businesses-people

4.1. Presence of Overseas Centres

ESG maintains overseas centres in various markets to support the internationalisation of Singaporean businesses. To facilitate growing business interests in sub-Saharan Africa, ESG officially launched its first Overseas Centre in Johannesburg, South Africa in January 2013, ESG's first office in sub-Saharan Africa. A second office was opened in Accra, Ghana (West Africa) in July 2013, and a third in Nairobi, Kenya (East Africa) in June 2018[49].

The presence of these Singapore Overseas Centres in sub-Saharan Africa was considered useful. FGD participants appreciated the advocacy work carried out by these ESG Overseas Centres on behalf of Singapore companies to sub-Saharan African stakeholders. They were also appreciative of the government's physical presence in serving as a contact and advisory point.

Like an extension of these companies, the Overseas Centres' proactiveness enables a difference to their business activities. Aside from acting as representatives on their behalf to collaborate with local sub-Saharan African business partners, useful groundwork research were also carried out on local African companies. FGD participants emphasized the importance of having experts with strong local knowledge in the region, given that business conditions in sub-Saharan Africa are vastly different from what companies in Singapore are usually familiar with. Unlike doing business in China, India and ASEAN where there are overlaps and commonalities in linguistic and cultural practices, there exist huge cultural gaps to bridge in the case of sub-Saharan Africa.

Considering the diversity in culture, geography and business conditions in the region, businesses feel that there is therefore a need for more of these Overseas Centres to be established within reasonable reach of other countries in sub-Saharan Africa. More specifically, having an Overseas Centre in Central Africa is deemed useful, to effectively serve Singapore enterprises which already have a foothold in the region or are planning to expand into it.

4.2. Government Financial Grants

4.2.1. Political Risk Insurance Scheme (PRIS)

According to World Economic Forum, there are 5 interconnected risks impacting countries across the continent[50], 2 of which are 'fiscal crises' and 'political change'. Almost 40% of sub-Saharan African countries are at risk of falling into a major debt crisis[51]. The "failure of national governance" is another leading risk to businesses.

Consequently, it is important for companies engaged in the region to safeguard projects and/or investments against political uncertainties with the use of insurance.

[49] https://www.mfa.gov.sg/SINGAPORES-FOREIGN-POLICY/Countries-and-Regions/Africa/Sub-Saharan-Africa
[50] These are the 5 biggest risks facing sub-Saharan Africa this year https://www.weforum.org/agenda/2019/09/economic-growth-sub-saharan-africa-challenges-risks/
[51] Ibid

One such scheme, which Singapore companies can look into, is the Political Risk Insurance Scheme (PRIS). Companies can make use of PRIS to unlock access to mid to long-term funding as it gives lenders additional assurance that the impact of political risks over the performance of a project or investment is accounted for. A typical PRIS policy covers risks such as expropriation, currency inconvertibility and transfer restrictions, political violence, breach of contract by the host government and failure to uphold sovereign financial obligations[52].

Notwithstanding, there is a general lack of awareness of the scheme and FGD discussants were largely unaware of any Singapore SMEs that had devoted resources on insurances that hedge their investments against such risks and uncertainties. Broadly, businesses operated on the assumption of taking on the risk of operating in volatile markets as a trade-off for the abundance of opportunities in the region. Several factors work against the adoption of such insurances, namely, unfavourable insurance terms, cost inefficiencies given the size of operations, high premiums, and lengthy regulatory process on Know Your Customers (KYC).

4.2.2. Enterprise Development Grant (EDG)

The EDG was officially launched on 25th October 2018[53]. This is one of the many grants participating companies find effective.

EDG supports projects that help companies in upgrading their businesses, innovate or venture overseas. It helps Singapore SMEs in building internal capabilities within 3 main areas: Core Capabilities, Innovation and Productivity, and Market Access.

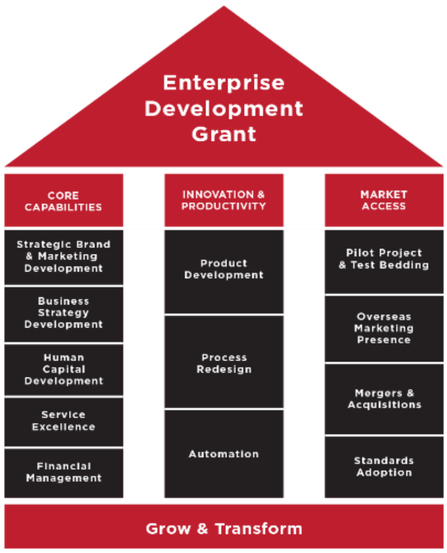


Image source: Aspire Financial Technologies Pte Ltd[54]

[52] https://www.asean-sme-academy.org/resource/political-risk-insurance-scheme-pris
[53] 4 Popular SME Grants from Singapore Government 2020 https://aspireapp.com/sg/blog/popular-sme-grants-from-singapore-government/
[54] Ibid

Under the Market Access pillar, Overseas Market Presence (OMP)[55] is one such useful scheme which helps companies defray initial investment costs related to on-the-ground operations. FGD participants mentioned the usefulness of the grant in helping to finance onsite operations, facilitating the setting up of offices during the first year of operation.

In addition, making inroads into competitive markets and business networks in the region through Mergers and Acquisitions (M&A)[56] is widely recognised as an effective way for companies to establish their presence. This is seen as a viable strategic arrangement by companies for rapid expansion into sub-Saharan Africa given that ESG is able to provide support in areas related to due diligence, feasibility studies and other professional services.

4.2.3. Market Readiness Assistance (MRA)

MRA[57] is another such grant widely used by FGD respondents. This scheme focuses on helping Singapore SMEs expand and gain access to overseas market opportunities. From market set-up, identification of overseas partners and promotions, this is one useful grant undertaken and alluded to by businesses when attempting to get started in Kenya and South Africa.

4.2.4. Double Tax Deduction Incentives (DTDi)

To encourage Singapore companies to go global and internationalise their products or operations, the double tax deduction is automatically allowed for expenses that are used for internationalisation activities. It supports activities across key stages of a company's overseas growth journey in 4 categories. This includes 'market preparation', 'market exploration', 'market promotion' and 'market presence'. Under this scheme, a company is allowed to claim twice the amount of expenses incurred against its taxable income.

Image source: Enterprise Singapore[58]

[55] https://www.enterprisesg.gov.sg/financial-assistance/grants/for-local-companies/enterprise-development-grant/market-access/Overseas-Marketing-Presence
[56] https://www.enterprisesg.gov.sg/financial-assistance/grants/for-local-companies/enterprise-development-grant/market-access/mergers-and-acquisitions
[57] https://www.enterprisesg.gov.sg/financial-assistance/grants/for-local-companies/market-readiness-assistance-grant
[58] https://www.enterprisesg.gov.sg/financial-assistance/tax-incentives/tax-incentives/double-tax-deduction-for-internationalisation#:~:text=Companies%20planning%20to%20expand%20overseas,expansion%20and%20investment%20development%20activities

Companies planning to expand overseas can thus benefit from the Double Tax Deduction Scheme for Internationalisation (DTDi). FGD respondents from larger companies find the scheme beneficial as they enjoy greater tax benefits due to higher expenses incurred on internationalisation activities.

4.3. Non-Financial Government Grants

4.3.1. Global Ready Talent Programme (GRT)

Broadly, businesses agree that the Global Ready Talent (GRT)[59] programme is an invaluable one. This programme comprises 2 key components: (i) Local and Overseas Internships and (ii) Management Associate Programme. The programme aims to construct a pipeline of global-ready talent for companies, to support and equip them with in-market knowledge to navigate challenges in overseas markets. In the process, skills for internationalisation are also honed. However, such an arrangement is only limited to markets like China, India and Southeast Asia.

Businesses bemoan that it is difficult to recruit skilled local talent in sub-Saharan Africa. Sending promising Africans to Singapore for training is an option, but costly in terms of both time and money. As such, businesses deem it beneficial for the GRT programme to be extended to include frontier markets. This will encourage more companies to send Singaporeans, especially the junior workers, overseas. In time, this helps in building up Singaporeans' expertise and operational knowledge to support business expansion plans, both locally and beyond.

4.3.2. Business Missions and Networking Activities

Business missions and networking activities organised by ESG and SBF are avenues which participants expressed their appreciation for and do partake in. Such activities help to link local SMEs with sub-Saharan African companies and authorities. Since the conditions of doing business in sub-Saharan Africa are vastly different from what a Singapore enterprise is usually familiar with, being equipped with local knowledge and having informants or gate-keepers matter.

Under the Local Enterprise and Association Development (LEAD) programme, the LEAD International Fairs and Missions are considered by businesses to be useful in providing a platform that supports companies' internationalisation activities.

Businesses appreciate existing ESG activities that build networks and collaborative platforms. It will do well to have these expanded. Apart from linking up with authorities in frontier markets, businesses highlighted that it will be useful if ESG can link local SMEs with a pool of domain experts in specific frontier markets for consultations on products and/or market strategies.

[59] https://www.beglobalready.sg/

Businesses also emphasized that it would be beneficial if ESG can help facilitate the building of an ecosystem for SMEs and technology start-ups, which would in turn accelerate business transformation.

4.4. What More Can Be Done

- Businesses mention the need for other lesser-known schemes to be more widely profiled and note that many SMEs remain unaware that the aforementioned initiatives can help to facilitate the building of enterprise capabilities and smoothen the path to internationalisation.

- Given companies' diverse needs, it has been suggested that the list of schemes be curated in a way that is specific to each of the emerging markets.

- Representatives from large companies find the government schemes useful, in part due to the companies' positioning and their ability to better utilising the funding that has been provided to scale up and fulfil stipulated requirements. The circumstances for SMEs are more unique, and thus it is more difficult to find a fit between what they require and how these can also dovetail well with the relevant grant conditions.

- Businesses highlighted that aside from a brief description of what each grant is about, there is a lack of other details on ESG's website. The various schemes listed are also somewhat overlapping, hence it is difficult to decipher which programme is most relevant and aligned with the company's objectives. It is not until an initial meeting with ESG officials that such programmes are explained in detail. Given that not every business owner will initiate the first contact with ESG, businesses suggested that detailed information be made available at the onset.

- Government programmes are less relevant in cases of Singapore representative offices of foreign companies since they do not qualify for financial incentives offered by ESG. That said, at times, these offices are eligible for non-financial benefits. In this regard, businesses expressed the opinion that non-financial assistance be assessed on the basis of whether contribution to the development of the Singaporean workforce has been made, with positive employment outcomes for Singapore.

- Businesses highlighted that Singapore has no consortium spearheading efforts in bidding for large-scale infrastructural projects, unlike Japan, Korea and China which have developed an ecosystem of consortiums for this purpose. In a similar vein, businesses also believe that other G2G initiatives can present opportunities in the longer run, such as establishing and developing of brand presence, as is the case for businesses which partnered the Singapore Cooperation Enterprise (SCE) in the implementation of trade facilitation solutions in East Africa. Conversely, other businesses believe that smaller bespoke government-assisted initiatives in supporting Singaporean firms in sub-Saharan Africa may be the better way forward. In this regard, government agencies can scale up their initiatives and provide a sustainable ecosystem of shared know-hows by bringing companies together through arrangements of business forums, such as the

Africa Singapore Business Forum. To these companies, business-to-business (B2B) platforms may be the preferred way of enhancing collaboration and expanding business networks.

5. Conclusion

Sub-Saharan Africa enjoys a rapidly growing young population that provides a ready pool of labour and creates market demand across all sectors (particularly in consumerism, education, healthcare, media, ICT and the built environment sectors), but concurrently also places increased pressure on resources and creates institutional instability in areas of unmet needs.

Prevailing socio-economic conditions of the region shape common perceptions on business opportunities and challenges. Specific to Singapore companies, operational impediments lie in the areas of skilled manpower, underdeveloped logistical facilities and infrastructure, banking and financial services, and the unfamiliarity of local regulations and culture.

Sub-Saharan Africa is viewed as a promising frontier market; however, structural challenges exist. Amongst others, these include the need for reliable infrastructure necessary in the conduct of business, such as transportation access. Regional uncertainties, unfamiliarity with bureaucratic red-tape, and the lack of access to development projects are some key obstacles raised during the FGDs conducted. Having more cooperative arrangements at the governmental level is considered important in facilitating business expansion in the region.

Sub-Saharan Africa is seen as a relatively open market with key sectors that hold much promise and abundant opportunities. The open but diverse markets of sub-Saharan Africa imply the need to directly address issues in specific markets rather than adopting a one-size-fits-all approach. Unlike developed markets such as those in the US, Europe and Northeast Asia, industries in the region are not saturated and therefore lower levels of competition may be expected. FGD participants describe the diverse region as a collection of small fragmented markets, with each player finding a niche to fill and thrive within the value chain.

The outlook for sub-Saharan Africa's ability to deal with the current pandemic, both as a region and as individual economies, looks bleak. The challenge lies in determining, with some degree of confidence, how the pandemic can come under control anytime soon. Post-COVID recovery for the region is anticipated to take a much longer time as donor nations are expected to tend first to their own economies in the aftermath of COVID-19 and, in so doing, neglect the flow of developmental aid to Africa.

In sum, Africa is viewed by businesses not as the best destination for quick revenue gains, but with huge potential for companies with longer-term strategies.

About Singapore Business Federation

As the apex business chamber, the Singapore Business Federation (SBF) champions the interests of the business community in Singapore in trade, investment and industrial relations. Nationally, SBF acts as the bridge between businesses and government in Singapore to create a conducive business environment. Internationally, SBF represents the business community in bilateral, regional and multilateral fora for the purpose of trade expansion and business networking. For more information, please visit our website: www.sbf.org.sg

References

1. Africa Economic Brief, *The Banking System in Africa: Main Facts and Challenges*, Volume 6, Issue 5, 2015
2. Aidar Abdychev, Cristian Alonso, Emre Alper, Dominique, Desruelle, Siddharth Kothari, Yun Liu, Mathilde Perinet, Sidra Rehman, Axel Schimmelpfennig, and Preya Sharma, IMF, African Department, *The Future of Work in Sub-Saharan Africa,* 2018
3. Amadou N. R. Sy, Rodolfo Maino, Alexander Massara, Hector Perez-Saiz, and Preya Sharma, *FinTech in Sub-Saharan African Countries : A Game Changer?*, IMF, African Department, Departmental Paper No. 19/04, February 2019
4. Andinet Woldemichael, Adeleke Salami, Adamon Mukasa, Anthony Simpasa, and Abebe Shimeles, Africa Economic Brief, *Transforming Africa's Agriculture through Agro-Industrialization*, 2017, Volume 8, Issue 7
5. César Calderón, Catalina Cantú, Punam Chuhan-Pole, *Infrastructure Development in Sub-Saharan Africa: A Scorecard,* Policy Research Working Paper 8425, May 2018
6. GSM Association, *The Mobile Economy, Sub-Saharan Africa*, 2019
7. International Monetary Fund, *Regional economic outlook. Sub-Saharan Africa: COVID-19: an unprecedented threat to development*, April 2020
8. Jamal Saghir and Jena Santoro, *Urbanization in Sub-Saharan Africa, Meeting Challenges by Bridging Stakeholders*, April 2018
9. Louise Fox, Melissa Sekkel Gaa, *Working Out of Poverty Job Creation and the Quality of Growth in Africa*, 2008
10. Martina Kirchberger, *The role of the construction sector*, WIDER Working Paper 2018/146, November 2018
11. Montfort Mlachila, Larry Cui, Ahmat Jidoud, Monique Newiak, Bozena Radzewicz-Bak, Misa Takebe, Yanmin Ye, and Jiayi Zhang, *Financial Development in Sub-Saharan Africa: Promoting Inclusive and Sustainable Growth*, IMF, African Department, 2016
12. Professor Klaus Schwab, World Economic Forum, *The Global Competitiveness Report 2019*
13. PwC, *22nd Annual Global CEO Survey*, 2019
14. Thomas S. Jayne, Felix Kwame Yeboah and Carla Henry, *The future of work in African agriculture: Trends and drivers of change,* December 2017, International Labour Office, Research Department Working Paper No. 25
15. World Bank Group, *Africa Pulse*, April 2017, Volume 15
16. World Bank Group, *Doing Business 2019, Training for Reform,* 2019
17. World Bank Group, *Global Economic Prospects*, June 2020
18. World Economic Forum, *The Future of Jobs and Skills in Africa,* 2017
19. World Economic Forum, *The Sub-Saharan Africa Risks Landscape,* September 2017