

Electricity shortages in sub-Saharan Africa a key concern: Euromonitor

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Strong economic growth and a rising middle class are driving investments into sub-Saharan Africa, although infrastructure and electricity shortages are "key concerns".



Less than optimal electricity supplies are hampering development.
(Image: Public Domain)

This is according to Euromonitor International's head of strategic economic consumer insight research, Sarah Bounphrey.

The market research firm said it expected five of the 10 fastest-growing economies in the world this year to be in sub-Saharan Africa, which should attract more investors.

But Bounphrey said that energy shortages presented a challenge.

The firm estimated that, in per capita terms, the 10 lowest energy-generating countries globally were all located in sub-Saharan Africa.

"Overcoming a reliance on (electricity) imports and improving generating capacity is crucial for economic growth," Bounphrey said.

SA is among the region's economies that are struggling with power supply. It is, however, constructing new power stations to address the problem.

The region's young and growing population would continue to support economic growth and investments from global

consumer companies, Euromonitor International said.

The market research firm estimated that urbanisation was unlikely to reach 50% before 2040, despite rapid development. Sub-Saharan Africa is the world's least urbanised region, with 61.8% of the population residing in rural areas last year.

Boumphrey identified access to finance as one of the key constraints to doing business in the region.

Source: *BDpro*, via I-Net Bridge

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