

African infrastructure investment exceeded \$100bn in 2018

Infrastructure financing in Africa exceeded \$100bn for the first time in 2018, but significant financing gaps still remain.



The Infrastructure Consortium Africa (ICA) Infrastructure Financing Trends in Africa 2018 report shows a jump of about a quarter on 2017 and 38% up on the 2015-2017 average.

This year's report shows the role ICA continues to play in institutional and policy reform as well as its consistent financial contribution within the infrastructure space. This, along with a 65% and 33% increase in commitments over the previous three-year average by China and African governments respectively, and the role of other multilateral organisations resulted in the 24% increase recorded in infrastructure financing for 2018.

Among the key findings of the report was an increase in financing commitments across all sectors, with a notable increase in the energy sector, which attracted financing commitments worth \$43.8bn, an all-time high and a 67% increase on the 2015-2017 average. The ICT sector also saw record commitments in 2018 of \$7.1bn, mostly from the private sector.

Even with the significant increase in commitments in 2018, there remains a total financing gap of \$52 billion to \$92bn per year. Yearly estimates of Africa's financing requirements range from \$130bn to \$170bn. Water and sanitation has the largest financing gap of all the sectors, based on annual financing needs of \$56-\$66bn and a 2016-2018 average

commitment of \$13bn.

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