

Press Release

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Five Lions Poised to Leap?

Economic and demographic potential of Africa's emerging markets.

***Nuremberg, 6 September 2012* – Impressive raw material reserves and comparably high economic growth alongside rapid population growth and high unemployment make Africa a continent of opportunities and problems in equal measure. Will it soon achieve the long-awaited leap forwards? A recent study conducted by the Berlin Institute on behalf of the GfK Verein focused on the potential of this continent, identifying which problems African countries have already overcome and what hurdles still lie ahead in future.**

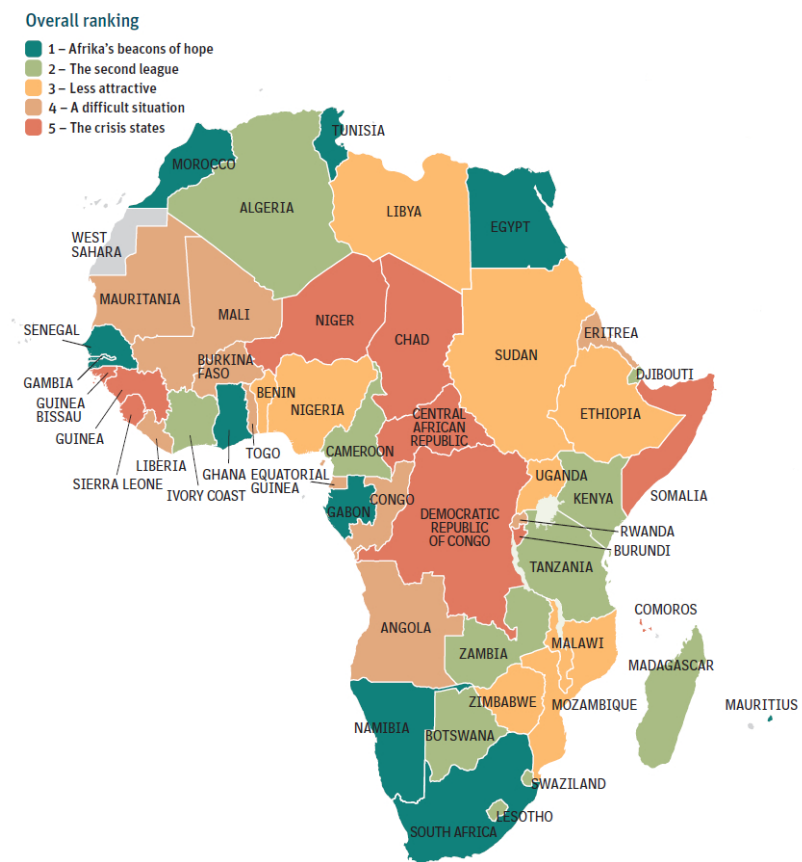
The situations in the individual countries are very different. The Berlin Institute therefore initially investigated the level of development in 50 countries according to indicators for four different areas:

- Population potential: the population structure will yield a demographic dividend in the coming years
- Living conditions: education and health standards enable a productive middle class with high purchasing power to emerge
- Politics: legal justice and stability attract investors
- Economy: economic success brings prosperity and consumption potential in the population

The African patchwork quilt

A varied picture emerges in the overall rankings, with some countries already strong today, while others are in economic difficulty and have poor prospects for positive development due to conflicts and crises. The situation is above all problematic in the middle of the continent and the Horn of Africa.

South Africa, Ghana in the west and Egypt, Tunisia and Morocco in the north all have major potential for growth, coming top in the rankings for the areas of economy, politics/justice, living conditions and population potential. Further countries with good prospects are, with some limitations, Gabon, Mauritius, Namibia, Gambia and Senegal. As the regional powerhouse of the African east coast, Kenya still ranks in the second tier, ahead of Tanzania and Madagascar. Although the prominent Nigeria only scored 3 overall, the extremely affluent upper class and an expanding middle class are ensuring that the country has great appeal for companies and investors.



Source: GfK Verein/Berlin Institute, "Five Lions Poised to Leap?", 2012

Focus on five African countries

Beyond the qualitative evaluation of the four areas, the Berlin Institute has also more thoroughly investigated five African countries: South Africa, Ghana and Egypt are considered beacons of hope, Kenya, in the second tier, has the best-performing economy in east Africa, and the most populous country, Nigeria, is mid-range.

The situation is very positive in the three countries with the greatest potential. They have achieved impressive growth rates over the last few years, living conditions are good compared with the average in Africa and the political situation is stable. In terms of their population structures, all three are ideally positioned for a demographic dividend. However, each

country faces its own particular challenges. Ghana's poor infrastructure is hampering economic growth, South Africa has one of the world's highest rates of HIV infection and a great proportion of the young academics in Egypt are unemployed.

In contrast, the population in the less developed Kenya is steadily growing. A costly process as the increased population requires more food, which is already scarce today, and also need schools and medical services.

In Nigeria economic success is disproportionately connected to crude oil. However, very few benefit from this trade, while the majority of the population are engaged in agriculture and a quarter are officially unemployed. It is probable that conflict situations will intensify if the population continues to grow.

The study

"Five Lions Poised to Leap? Economic and demographic potential of Africa's booming countries" was compiled by the Berlin Institute for Population and Development on behalf of the GfK Verein.

This study came about as a collaborative project between the Deutschen Investitions- und Entwicklungsgesellschaft mbH (DEG), the GfK Verein and GfK SE, to establish market research at an international level in Ghana, Kenya, Nigeria and South Africa. The following universities in these three countries will offer market research as a degree subject in future: universities in Pretoria and Nairobi, the School of Media and Communication (Pan-African University) in Nigeria and the Central University College in Ghana. From summer 2012, students at these universities will be trained in concepts, evaluation and statistics.

The comprehensive results of the survey can be found at <http://www.berlin-institut.org/publikationen/studien/fuenf-loewen-auf-dem-sprung.html>

About the GfK Verein

The GfK Verein was established in 1934 as a non-profit organization for the promotion of market research. Its membership consists of approximately 600 companies and individuals. The purpose of the Verein is to develop innovative research methods in close cooperation with academic institutions, to promote the training and further education of market researchers, to observe the structures and developments in society, the economy and politics that play a key role in private consumption, and to research their effects on consumers. Survey results are made available to the membership free of charge. The GfK Verein is a shareholder in GfK SE. Further information: www.gfk-verein.org

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About the Berlin Institute

The Berlin Institute for Population and Development is an independent think tank that researches questions about global demographic changes and development policies. The institute was founded in 2000 as a non-profit foundation and has the task to raise awareness about demographic change, promote sustainable development, contribute new ideas to the policy field, and form concepts for solutions to demographic and development policy problems. The Berlin Institute creates studies, discussion and background papers, prepares scientific information for the political decision-making process, and organises the "Online-Handbook Demography."

For further information please visit the website: www.berlin-institut.org.

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