

Top risks businesses face in Africa

It is a well-known fact that doing business on the African continent can be a challenging proposition. In this document we document some of the most common risks businesses face on the continent.

Corruption

The number one challenge in Sub-Saharan Africa is corruption and often times determining what constitutes corruption in local terms and how to account for it in local operations is not as clear cut as it might seem.

Crime

Crime is a challenge in every clime worldwide but how exactly does a business assess risk by knowing the specific sort of crimes they are likely to face in a different operating environment from what they are used to?

Cultural differences

Differences in culture may seem benign enough not to be considered as risk, but a cultural *faux pas* in a certain jurisdiction where one is not aware of local customs may mean the risk of the very venture entered into.

Language barrier

There are over 1500 languages spoken across Africa and in some countries more than 100 languages may be spoken. What is not understood or accounted for due to language barriers equally presents a risk.

Lack of data

In several jurisdictions in Africa, the information critical to your existence or operations might be outdated, inaccurate or simply not exist. In situations like this, the need to source alternative sources becomes imperative .

Vested interests

A market opportunity such as few operators in what seems to be a lucrative market might be a carefully concealed monopoly protected by local political operators. Businesses have lost money investing in perceived opportunities that turn out to be dead ends.

South Africa

Angola
Botswana
Lesotho
Malawi
Mozambique
Namibia
Swaziland
Zambia
Zimbabwe

Kenya

Ethiopia
South Sudan
Tanzania
Uganda
Rwanda
Burundi
Central African
Republic
DRC
Republic of Congo
Equatorial Guinea
Gabon
Cameroon

Nigeria

Ghana
Cote d'Ivoire
Benin
Togo
Burkina Faso
Mali
Guinea
Senegal
Gambia
Sierra Leone
Liberia

“Our aim is to ensure that our clients have a 360 degree understanding of risks as well as opportunities in the African markets they choose to partake in”

Sybil van der Merwe
Regional Director, Southern Africa
afridiligence

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Policy approach

Policies that seem favourable to business may change overnight. Established markets tend to seek the opinion of businesses and the general public for extended periods before passing new policies. This is not the case in many African jurisdictions.

SOLUTIONS

Having a local partner that does thorough homework and seeks out the relevant information before you engage in a market, can make all the difference between whether you succeed in a market or fail.

afridiligence offers our clients years of expertise dealing across various African jurisdictions and the ability to source information relevant to the business aims of these clients in different markets across the continent.

Instead of entering into new markets and territories with the fear of the unknown, we ensure that our clients have the best information available to guide their approach in emerging markets across Africa.

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We are a leading provider of investigative research and risk advisory services in Sub-Saharan Africa. With an active presence in a portfolio of more than 40 countries across the region, we provide unrivalled insight into jurisdictions of interest to our clients.

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