



SOUTHERN  
**AFRICA EUROPE**  
CEO DIALOGUE



The European House  
**Ambrosetti**

## SOUTHERN AFRICA EUROPE CEO DIALOGUE

8<sup>th</sup> Edition

Live at The Capital On The Park - Johannesburg

**November 25-26, 2021**

# PRESENTATION BY VALERIO DE MOLLI

*In cooperation with*



**GAUTENG**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA



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Pretoria





SOUTHERN  
**AFRICA EUROPE**  
CEO DIALOGUE

# Southern Africa Europe CEO Dialogue

*Eighth edition*

**Valerio De Molli, Managing Partner & CEO, The European House - Ambrosetti**

*In cooperation with*



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# About

## The European House - Ambrosetti

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# Who we are, where we are, our mission and values

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## OUR MISSION

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Sustainable value creation for the Client and for our Group, ensuring unique and effective professional solutions regarding top management consultancy, professional continual updating and research, in this age of acceleration, global competition and discontinuity.

The European House - Ambrosetti Group is present in Italy, in Europe and in several other countries all over the world, offering **strategy** and **management consulting services** as well as **Top Executive Education**.

Since 1965, we have been assisting our corporate clients to achieve their goals through a wide and dynamic portfolio of innovative services, designed to respond effectively to their needs.

**Independence**, continuous search for **excellence, professional behavior, integrity** and **dignity** (helpful to all, subject to none) are our **founding values**.

For the eighth consecutive year, The European House – Ambrosetti was named — in the category Best Private Think Tanks — **the no. 1 think tank in Italy, the no. 4 in the European Union and among the most respected independents** in the world out of 11,175 on a global level in the latest “Global Go To Think Tanks Report” of the University of Pennsylvania.

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*Milan, Rome and several Italian cities, Brussels, London, Paris, Madrid, Istanbul, Berlin, Singapore (for Asean), Shanghai, Tokyo, Seoul, Johannesburg (for sub-Saharan Africa)*

# The European House - Ambrosetti

## Our Figures, our Successes

**500**  
Events

Organized in 2020, of which 68% digital, 19% physical and 13% phygital

**1**  
Proprietary platform for creating phygital experiences

Proprietary technology and know-how for workshops, seminars and complex digital events

**3,000**  
Experts

National and international engaged each year

**10,000**  
Managers  
**1,000**  
Clients

Managers accompanied in their professional growth and consulting clients served each year

**200**  
strategic studies and scenarios

Designed each year for national and international institutions and corporations

**#1**  
Think Tank

Private in Italy, the no. 4 in the European Union and among the most respected and independent out of 11,175 globally, after conducting a survey among 73,000 leaders in institutions, businesses and media, in more than 100 countries worldwide (\*)

**TOP EMPLOYER 2021**

One of the 112 Top Employers 2021 in Italy, based on the analysis of 6 specific areas of HR policy and over 400 best practices monitored

**47**  
Years

of the Cernobbio Forum: those attending in 2019 represented an aggregate turnover of €1,3 trillion (76.1% of Italian GDP) and managed assets of €47.6 trillion; 9 governments represented

**280**  
People  
**47%**  
Women

Who share the same passion and drive.  
40 people in corporate finance; 40 people abroad (China and Middle East)

**120**  
Family - Owned Businesses

Assisted over the last year through consulting in Family Agreements and Governance Systems

**#5**  
in Italy

for number of M&A transactions with enterprise value <500 million € in the 2020 Thomson Reuters ranking, through partnership with KON, the leading independent Italian player in corporate finance advisory services

**7**  
International Think Tanks

Represented as an international best-practice by the ASEAN Community (7 Countries/areas: ASEAN, China, France, Middle East, South Africa, USA, European Union - Brussels)

**16**  
Countries

With direct presence or in partnerships

# Vision and goals of the Southern Africa Europe CEO Dialogue

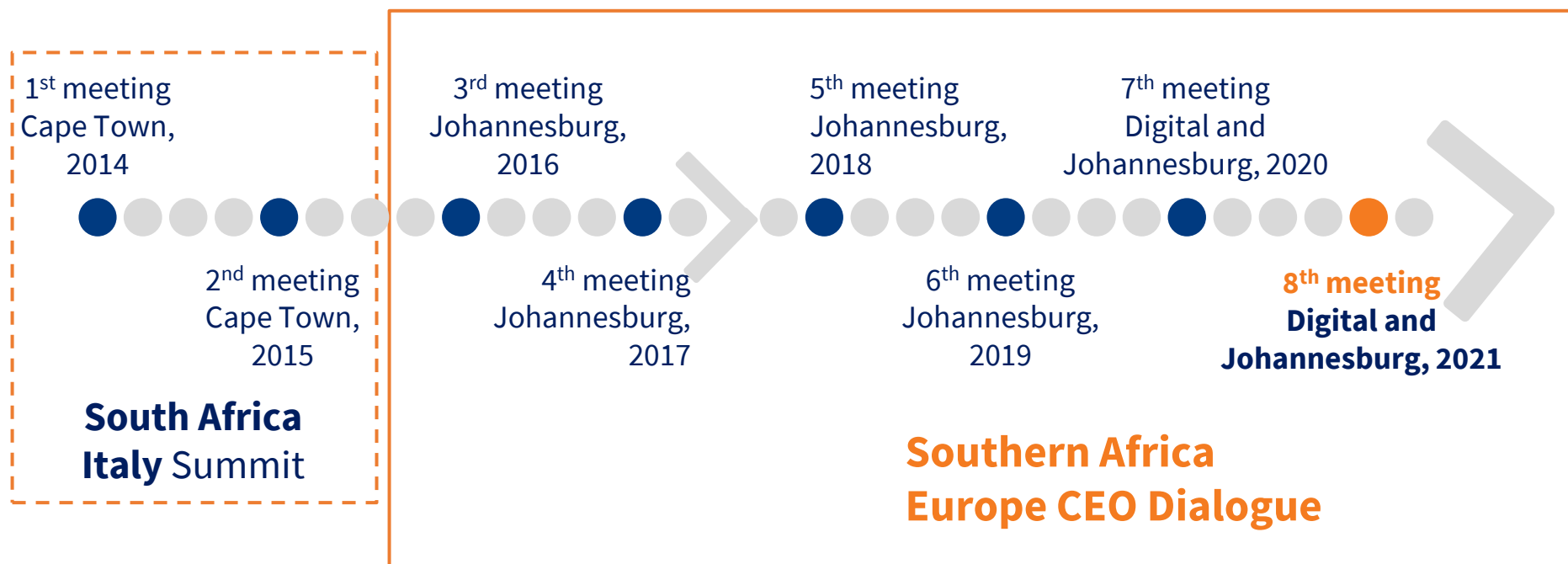
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2021 marks the **25<sup>th</sup> anniversary** of the Constitution of South Africa, referred to as "*the most admirable constitution in the history of the world*" by Cass Sunstein, legal scholar and Professor at Harvard Law School



# The history of the Southern Africa Europe CEO Dialogue

- Our journey began in Cape Town in 2014, when we created the *South Africa – Italy Summit* to foster bilateral relations between Italy and South Africa, the core of our community
- After moving to Johannesburg, Gauteng—the economic heart of Africa—in 2016, **we expanded our bilateral platform into a regional** one, involving all European and Southern African business leaders in a single platform: the **Southern Africa Europe CEO Dialogue**



# The first seven editions: facts and figures

250

International  
**speakers**

1,400

Participants  
from **20**  
countries

500

**CEOs** from  
Europe and  
SADC

45

**Ministers,**  
**governors** and  
**mayors**

14

**Position**  
**papers**  
discussed

667k

**Views** of the  
2020 press  
release

More than 10 **Memorandums of Understanding, business deals** and **investments** facilitated and signed between governmental leaders, institutions and private companies (G2G, B2B, B2G schemes)

# Direct fallout of the Summit

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Funding of an **automotive** plant in South Africa



**Government to Government** cooperation (regional level)



Funding of a plant of **renewable energy** production



**Acquisition in the field of agro-industry** by a leading consumer goods company



Agreement between two primary **railway operators**



Roadshow for an international **electricity** transmission operator



MoUs signed between two universities to promote **skills development**



Triggering of **township cooperation** pilot project for skills development in automotive sector



Investment by a Horeca group to open a **hotel** in Johannesburg

... and many others

# The key pillars of the Summit



## Business engagement

Create a platform to foster concrete business outcomes



## International partnerships

Nurture cross-country and cross-continent agreements



## Networking

Build an exclusive platform where political and business leaders can meet



## Advisory

Deepen strategic business topics with high-level experts and advisors



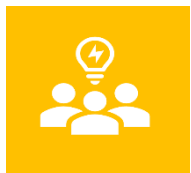
## Investment promotion

Focus positive attention on the existing investment opportunities



## Visibility

Leverage an international stage with key stakeholders, media and press



## Soft power

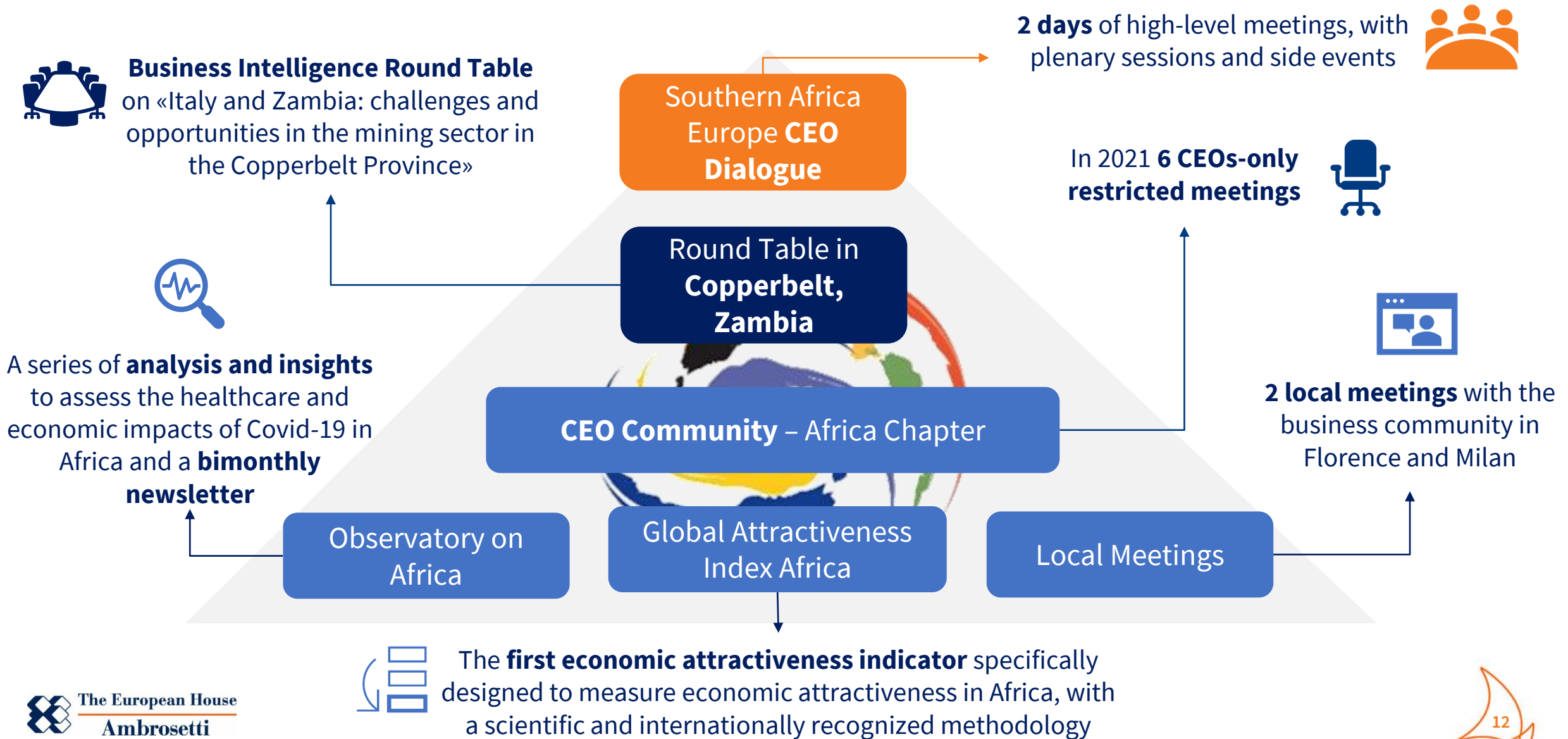
Influence the economic agenda of the respective regions, Europe and Africa



## Multi-stakeholder action

Create and share common values and acknowledge long-term goals

# The Southern Africa Europe CEO Dialogue is the key moment of year long activities to foster Euro-African engagement



# The CEO Community – African Chapter is strictly reserved to CEOs and high-level personalities operating in the region



**Nhlanhla Nene**

Former Minister  
of Finance,  
South Africa



**Akbar Al Baker**

Group CEO,  
Qatar Airways



**Emmerson  
Mnangagwa**

President,  
Republic of  
Zimbabwe



**Mark Cutifani**

Group CEO,  
Anglo American



**Aarti  
Takoordeen**

Director & CFO,  
Johannesburg  
Stock Exchange



**Fani Titi**

Group CEO,  
Investec



**Herman  
Mashaba**

Former Mayor,  
City of  
Johannesburg



**Adam Habib**

Vice-Chancellor,  
University of the  
Witwatersrand



**Khudusela Pitje**

CEO, New GX  
Capital



**Lorenzo  
Fioramonti**

Former Minister  
of Education,  
Italy



**Phuthi  
Mahanye**

CEO, Naspers SA



**Cristina Duarte**

UN Secretary  
General's  
Special Adviser  
on Africa



**JP Landman**

Advisor,  
Nedbank Private  
Wealth



**Magda  
Wierzycka**

Founder & CEO,  
Sygnia



**Robert Brozin**

Co-founder,  
Nando's

# The Observatory on Africa is the most up-to-date tool to understand African dynamics in the post Covid-19 era



Evolution of the Covid-19 **pandemic** in the African continent



Analysis of the impact of Covid-19 on **trade** and **finance**



Focus on **South Africa** and its country-specific characteristics

# The context of the Southern Africa Europe CEO Dialogue

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# Key facts that happened over the last 12 months...

## **Vaccination rollout**

with more than 7 billion Covid-19 doses administered so far in the world

## **International gatherings**

G20 in Rome and COP26 in Glasgow

## **Implementation of the African Continental Free Trade Area**

AfCFTA is the largest free trade area in the world connecting almost 1.3 billion people across 54 countries

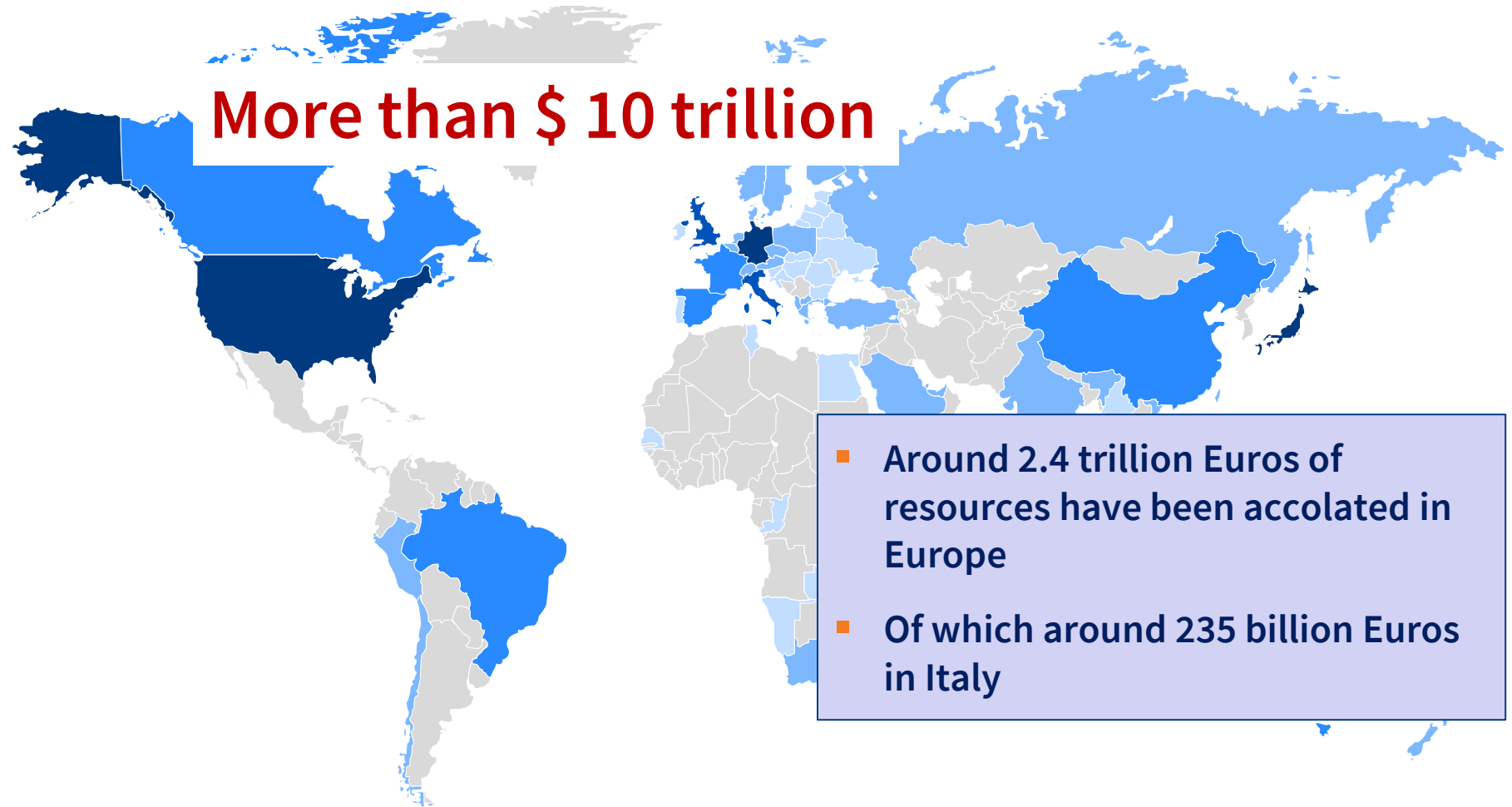
## **The European House – Ambrosetti**

Again in 2021, for the eighth consecutive year, The European House – Ambrosetti has been nominated in the “Best private think tanks” category the No. 1 Think Tank in Italy, the No. 4 in the European Union and among the most esteemed and independent think tanks out of 11,175 globally, in the last edition of the University of Pennsylvania

Recognition as Top Employers 2021 in Italy

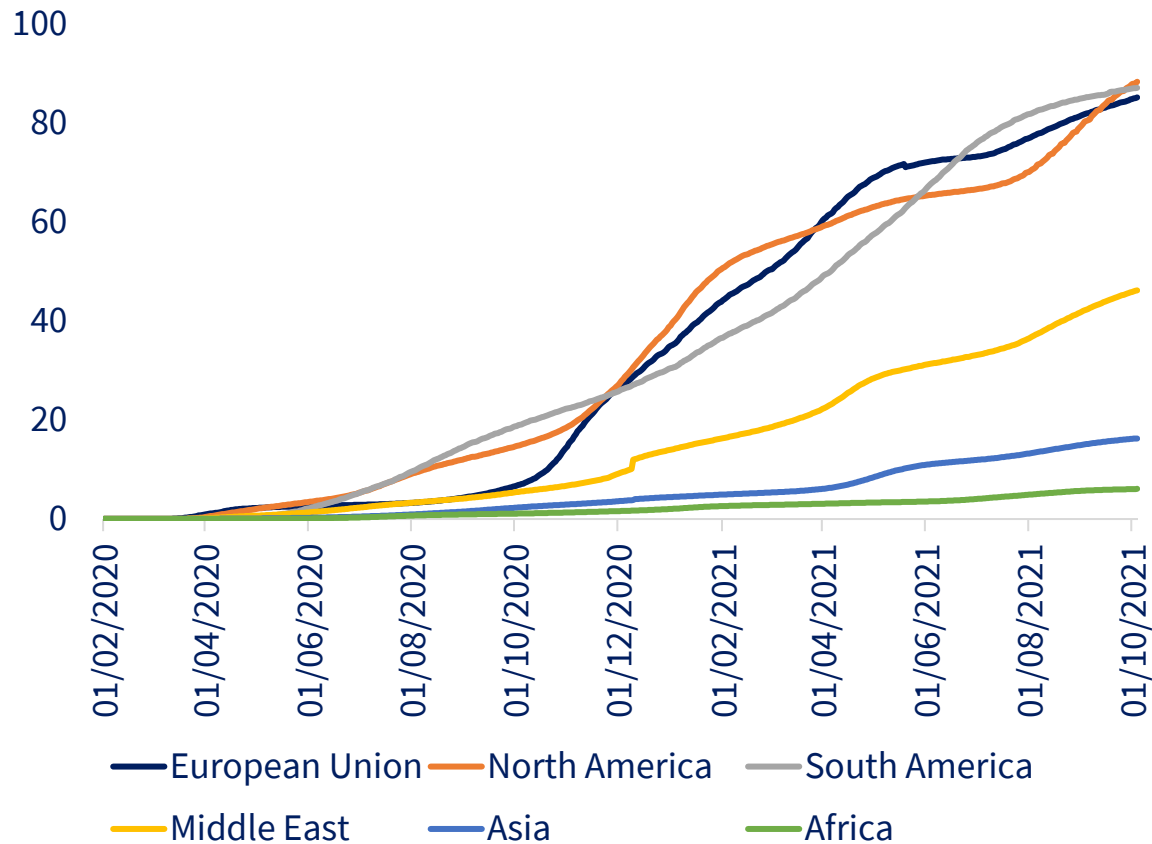
# 2020 was marked by an unprecedented mobilization of vast resources globally after the Covid-19 shock

Mobilized resources in the world to address the crisis (billion Dollars), last available data

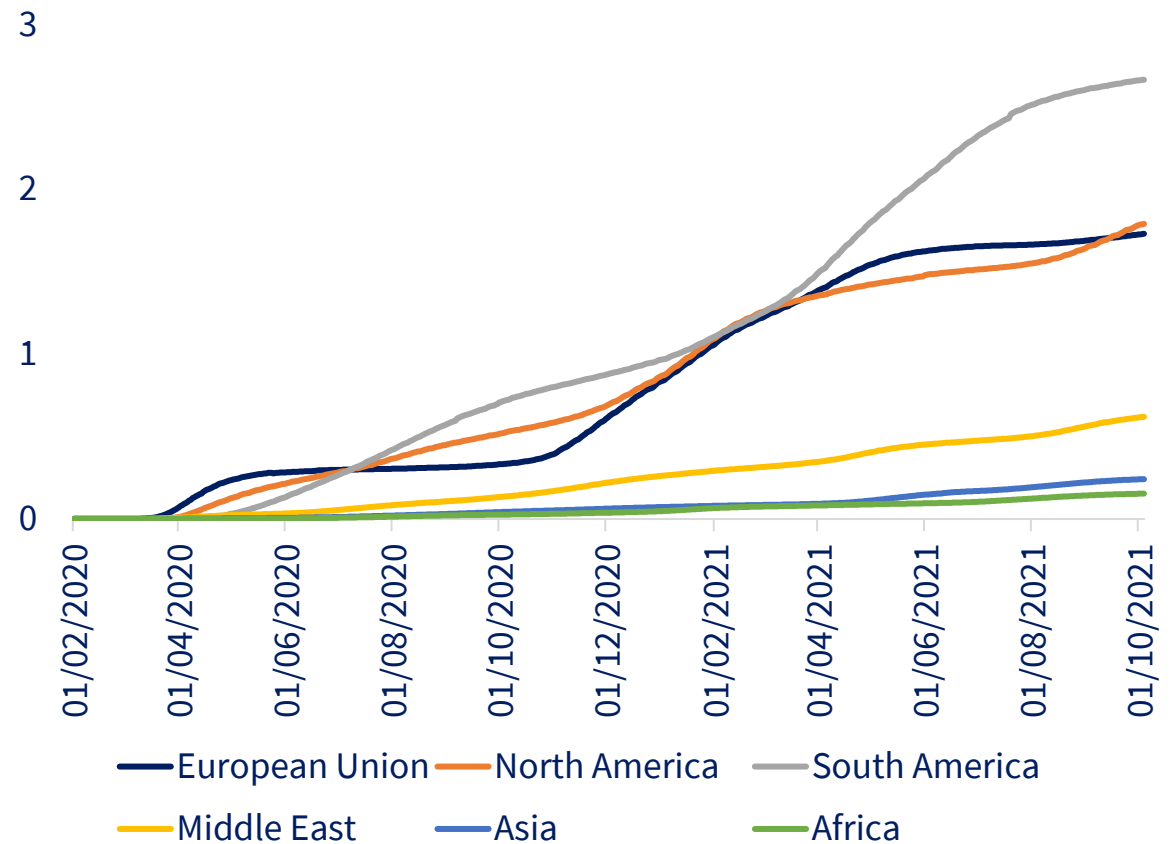


# Compared to other regions, the African continent proved its resilience against Covid-19 ...

Total cases of Covid-19 in world regions per 1 million people (in thousands), 2020-2021

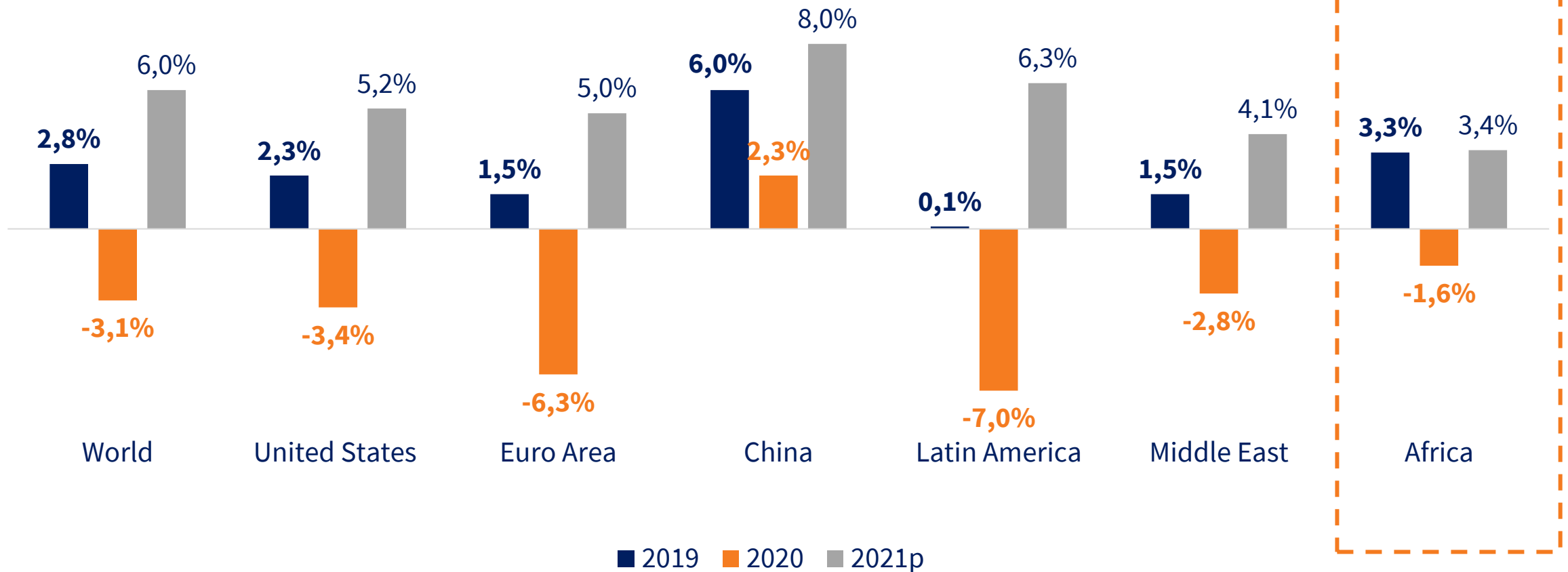


Total deaths of Covid-19 in world regions per 1 million people (in thousands), 2020-2021



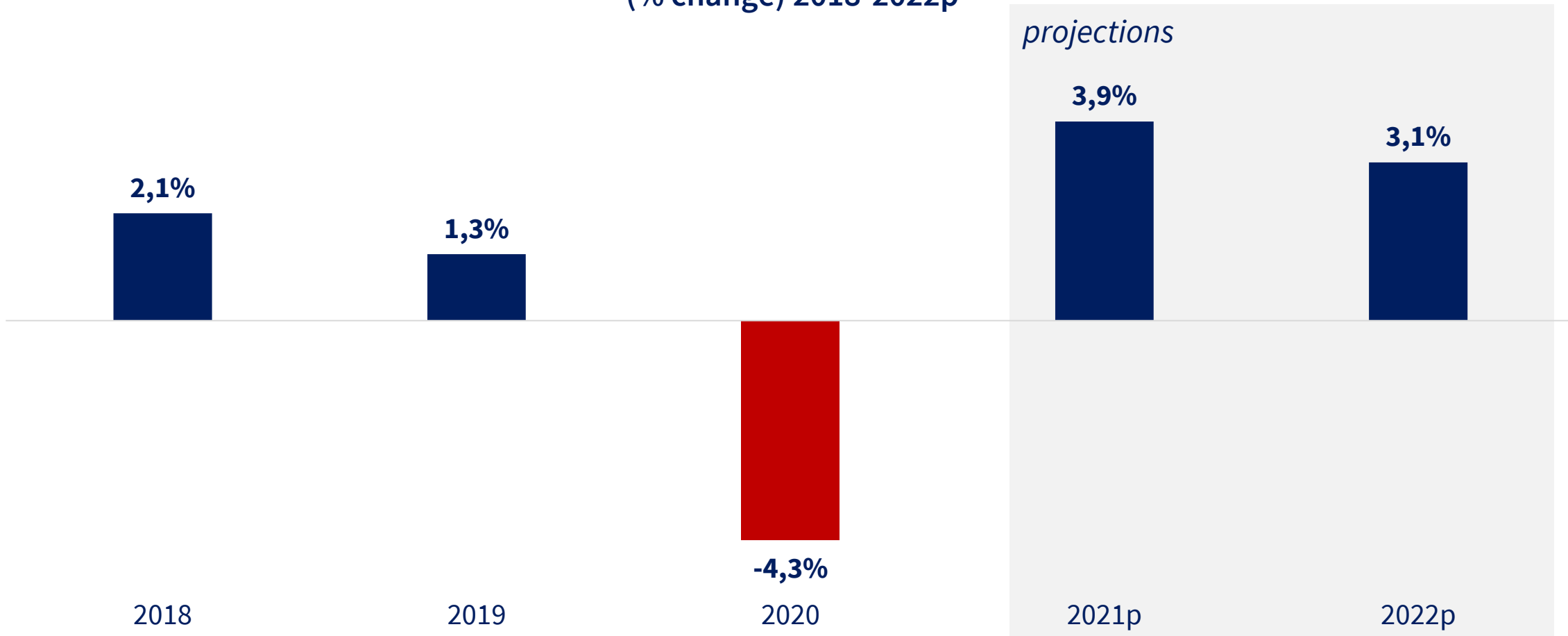
# ... and in terms of economic performance in 2020, ranking second after China

Annual real GDP growth in world regions  
(% change), 2019-2021p



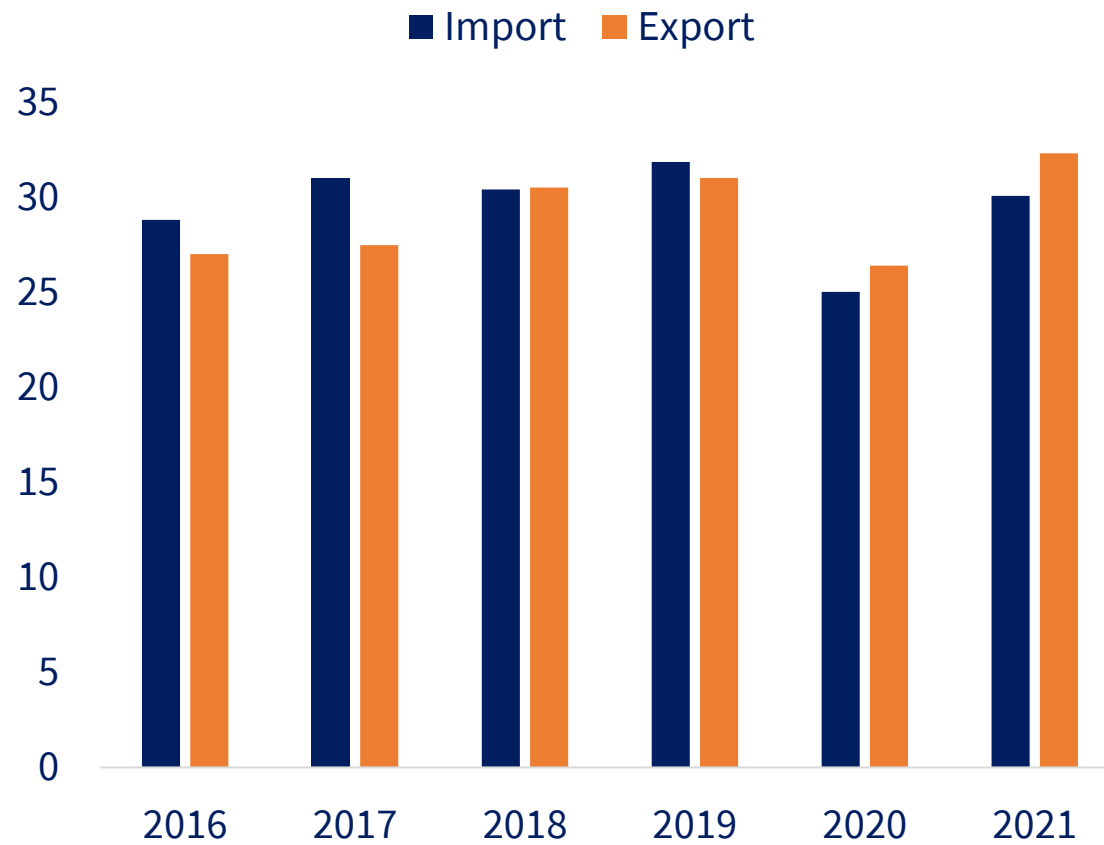
# In 2021 SADC countries have entered a phase of recovery with a projected growth of 3.9% thanks to resumption of global trade

Annual real GDP growth in SADC countries  
(% change) 2018-2022p

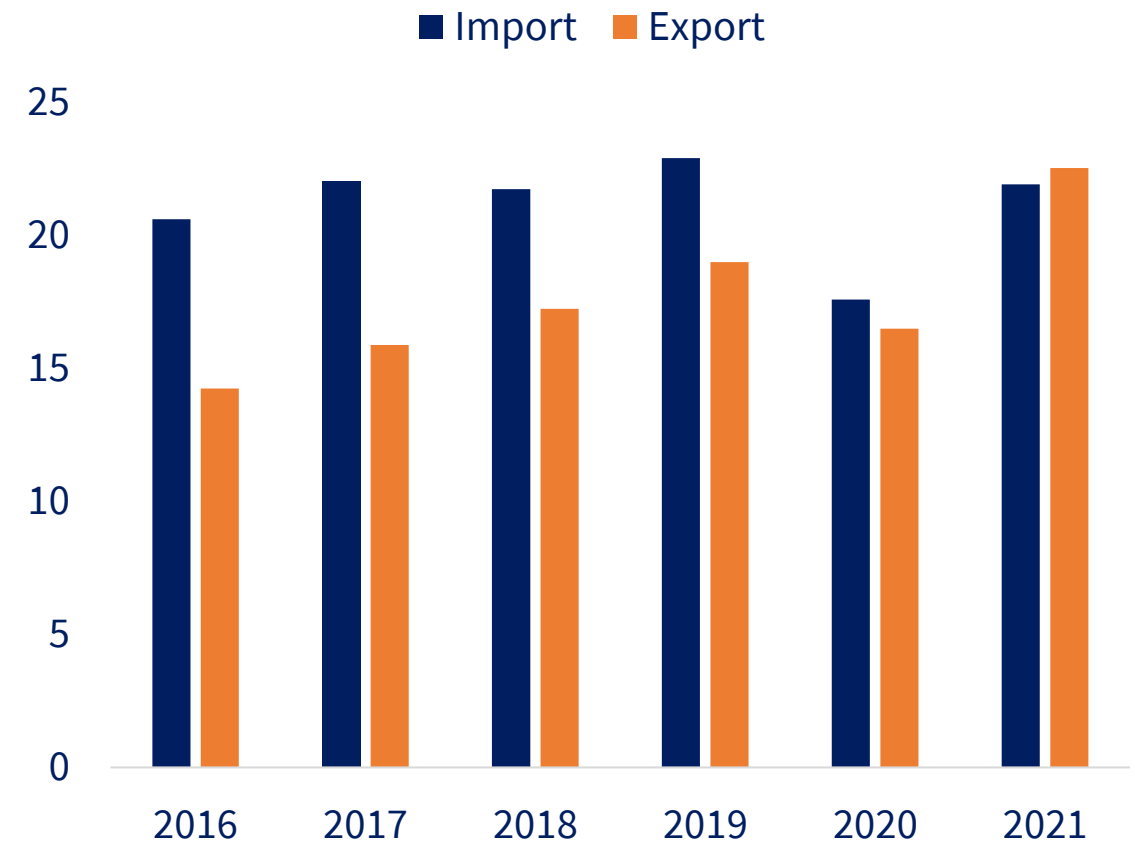


# After the decline of 2020, trade of SADC countries and of South Africa towards the EU has rebounded...

Trade variation of SADC countries vs EU-27  
(in billion euros), 2016-2021\*

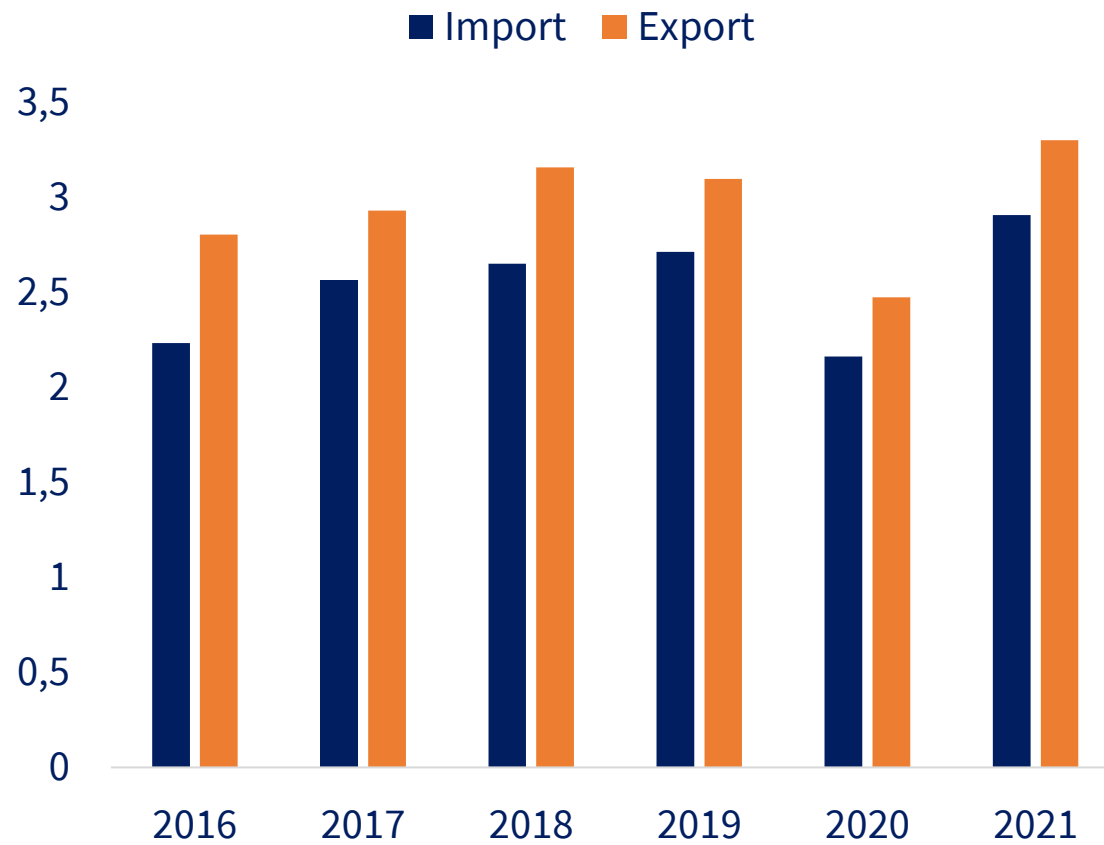


Trade variation of South Africa vs EU-27  
(in billion euros), 2016-2021

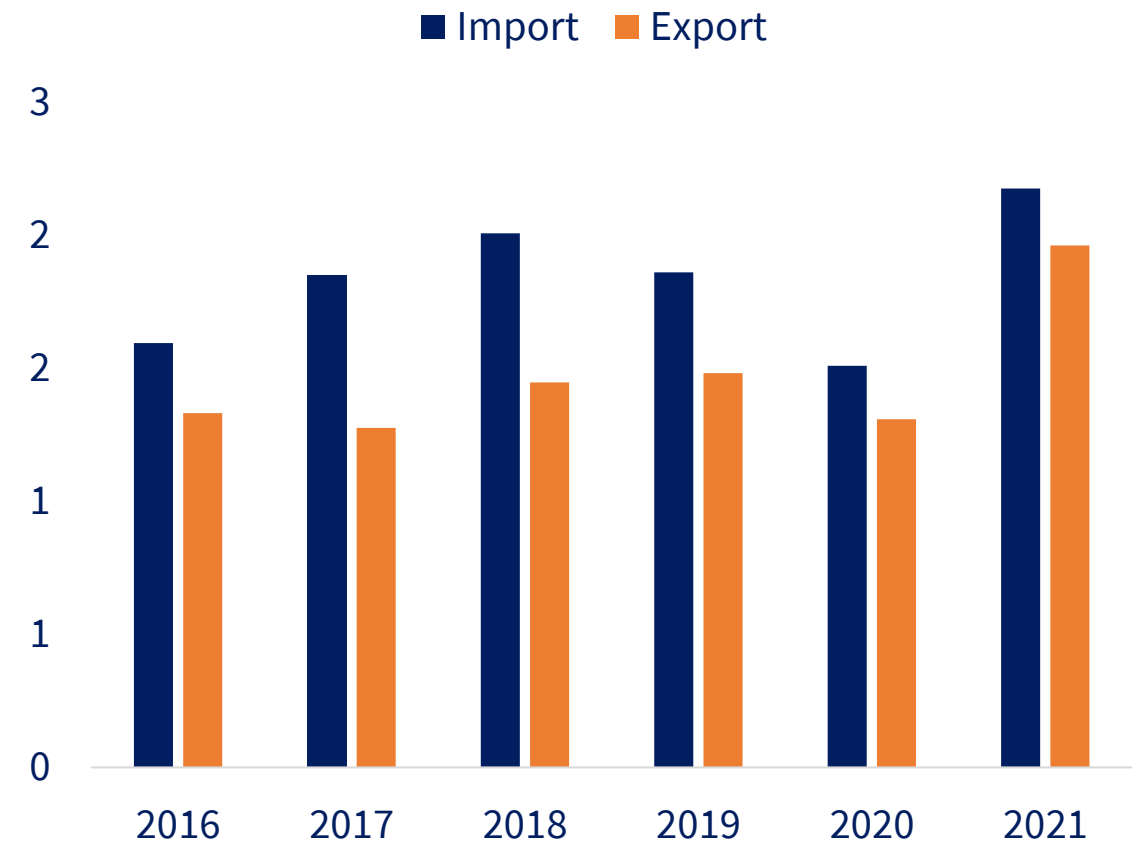


# ... and towards Italy, with trade relations towards South Africa surpassing the pre-Covid-19 levels

Trade variation of SADC countries vs Italy  
(in billion euros), 2016-2021\*

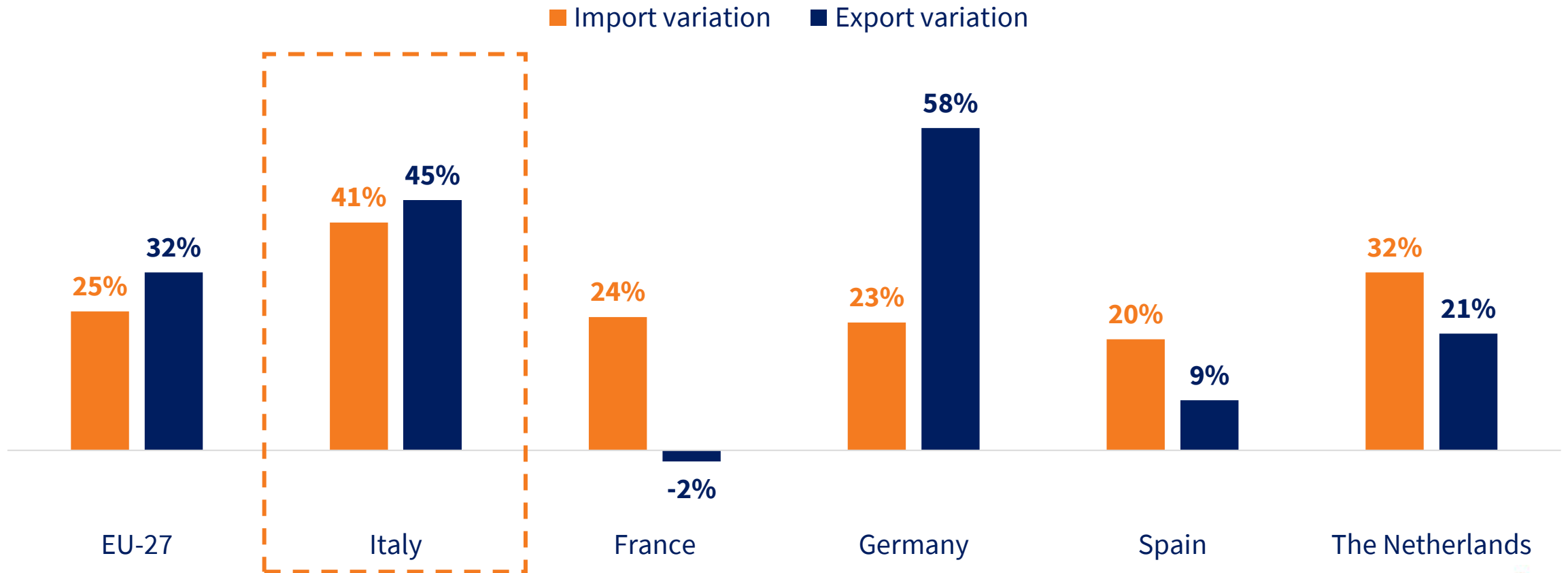


Trade variation of South Africa vs Italy  
(in billion euros), 2016-2021



# As a result, Italy confirmed its important role as economic partner of SADC countries

Trade variation of SADC countries towards major EU-27 countries  
(% change), Jan-Aug 2021 vs Jan-Aug 2020





# The Global Attractiveness Index

## Africa

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**Paving the way for a robust recovery:  
The Global Attractiveness Index Africa**

# To facilitate investment decisions across the continent, we have created the Global Attractiveness Index (GAI) Africa

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It is the **first index** specifically designed to assess **economic attractiveness in Africa**



It is **scientific**, leveraging a unique repository with **30,000 data points** to rank 49 Africa countries

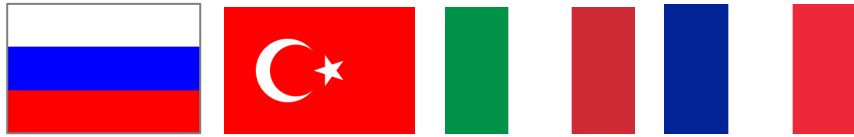


Its **methodology**, inspired by the Global Attractiveness Index which is audited by the JRC and the EU, combines **forward- and backward-looking analysis**

# The Global Attractiveness Index has acquired an increasing recognition at international level



Officially presented in many **countries** and to the **European Commission**



Included within the set of official indicators monitored by **four governments**



Supported by **international research Institutions**: Joint Research Centre and European Political Strategy Centre



Presented at the **World Bank** and **OECD** in Paris and included among OECD's official indicators (on-going)



Presented to **more than 10,000 CEOs** and investors hired on Italy's repositioning in the country rankings

Presented to the **Ministers and Under-Secretaries** of the previous and current Government in formal and informal meetings, to the Parliamentary Commissions and in six editions of the **Forum The European House - Ambrosetti in Cernobbio**

# Key features of the Global Attractiveness Index (GAI)

## REPLICABILITY

**Updated annually**, thanks to the use of variables (KPI) periodically detected from main international institutions

## OBJECTIVITY

Based mainly on **objective quantitative variables** derived from major international databases

## ROBUSTNESS

**Few proxy indicators** as independent from each other as possible

## SIGNIFICANCE

**Focus on “results”** (outputs) rather than "efforts" (inputs)

Objective: **Measuring a country’s attractiveness**, a crucial factor in assessing its development capacity

### INTERNAL

Ability to **retain resources already present** on the territory

### EXTERNAL

Ability to **attract resources not present** on the territory

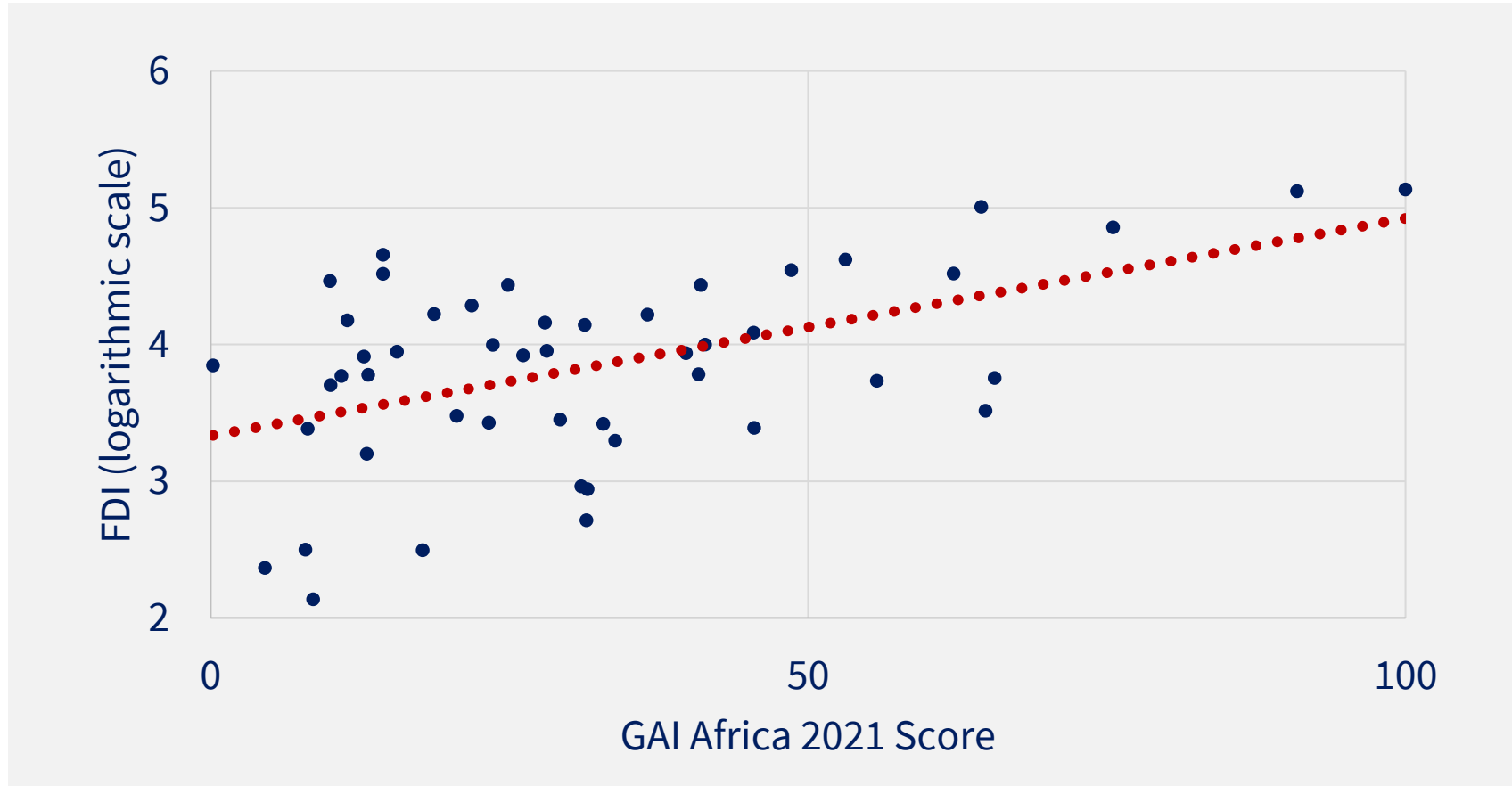
# Key Performance Indicators behind the Global Attractiveness Index Africa

Openness	Innovation	Efficiency	Endowment	Resilience	Vulnerability
<ol style="list-style-type: none"> <li>1. FDI inward stock</li> <li>2. Current account (% GDP)</li> <li>3. Product concentration and diversification index of exports and imports</li> <li>4. Export of products and services</li> <li>5. Migrant remittances inflows (% GDP)</li> </ol>	<ol style="list-style-type: none"> <li>1. Manufacturing value added (% GDP)</li> <li>2. Number of academic publications</li> <li>3. Mobile cellular subscription (* 100 persons)</li> <li>4. ICT Development Index</li> <li>5. Services, value added (% GDP)</li> <li>6. School enrolment, university and college</li> </ol>	<ol style="list-style-type: none"> <li>1. Interest payments on external debt (% GNI)</li> <li>2. Corruption perception index</li> <li>3. Government effectiveness</li> <li>4. Unemployment rate</li> <li>5. Transport: Logistic Performance Index</li> <li>6. Political stability and absence of violence</li> <li>7. Regulatory quality</li> </ol>	<ol style="list-style-type: none"> <li>1. GDP (PPP constant)</li> <li>2. GDP Per capita</li> <li>3. School enrolment, secondary</li> <li>4. Investment: Gross fixed capital formation (% GDP)</li> <li>5. Composite index: <ul style="list-style-type: none"> <li>• Agriculture: Agricultural land on total Africa</li> <li>• Mineral resources: Adjusted saving mineral</li> <li>• Energy: Adjust saving energy</li> </ul> </li> <li>6. People: Population under 35</li> </ol>	<ol style="list-style-type: none"> <li>1. Rule of law</li> <li>2. Regulatory quality</li> <li>3. Global peace index</li> <li>4. AIDI Transport</li> <li>5. Potential labour force (18-65) in 2030</li> </ol>	<ol style="list-style-type: none"> <li>1. Commodities export, % on total</li> <li>2. Ratio of female to male labour force participation rate</li> <li>3. GDP forecast, 2024</li> <li>4. Unemployment rate forecast, 2024</li> <li>5. Working poverty rate</li> </ol>

The KPIs previously included in the GAI are shown in blue. In orange are the KPIs specially introduced for the African version.

# GAI Africa offers a true representation of investments' attractiveness

Correlation between GAI Africa 2021 Scores and FDIs inwards (stock)



Correlation:  
0.74

# GAI Africa 2021 top 20 rankings

	2021 ranking and score	2020 ranking	Dynamicity	Sustainability	
Attractive	1. South Africa	100,00	1	●	●
	2. Egypt, Arab Rep.	90,92	2	●	●
	3. Morocco	75,53	5	●	●
	4. Mauritius	65,62	3	●	●
	5. Seychelles	64,85	6	●	●
	6. Nigeria	64,49	4	●	●
Medium high attractiveness	7. Algeria	62,18	7	●	●
	8. Botswana	55,75	9	●	●
	9. Ghana	53,13	8	●	●
	10. Tunisia	48,60	10	●	●
	11. Cabo Verde	45,48	11	●	●
	12. Cote d'Ivoire	45,46	12	●	●
	13. Kenya	41,40	16	●	●
	14. Ethiopia	41,04	19	●	●
	15. Namibia	40,83	13	●	●
Medium low attractiveness	16. Senegal	39,77	18	●	●
	17. Tanzania	36,56	29	●	●
	18. Djibouti	33,86	15	●	●
	19. Rwanda	32,87	23	●	●
	20. Eswatini	31,56	15	●	●

Note:  
South Africa  
**consistently ranks in the first place** of GAI Africa (same placement for the last six years)



A sunset over a savanna landscape. The sun is low on the horizon, casting a warm orange glow across the sky and the landscape. A single acacia tree stands prominently in the middle ground, its silhouette dark against the bright sky. The foreground is a mix of green grass and reddish-brown soil. In the background, there are rolling hills and mountains under a cloudy sky.

Our goal is to unlock the significant business opportunities in Africa

# The AfCFTA represents a game-changer for the African continent in the post Covid-19 scenario

- Today more than ever, Africa offers unique opportunities thanks to the implementation of the African Continental Free Trade Area (AfCFTA), the **largest free trade area in the world**, connecting almost **1.3 billion people** across **54 countries** with a combined GDP of roughly **\$3.4 trillion**
- With the mandate to eliminate all tariffs on intra-Africa trade over 5 years, it could become a turning point to unlock Africa's growth potential by:
  - Bringing more than **\$1 trillion GDP increase** by 2025;
  - Increasing African **workforce with 325 million** by 2030;
  - Fostering **intra-continental trade by 52%** before 2022;
  - Promoting **inclusion** thanks to ad-hoc protocols on women and youth

Ratifying countries to the African Continental Free Trade Area, 2021



# The Gauteng Province represents the epicenter of growth and catalyzer of investments

- The Gauteng Province is the leading region in Sub-Saharan Africa: it represents almost **10% of GDP of Sub-Saharan Africa** and **34% of GDP of South Africa**
- It accounts for over **62% of total exports** of goods and services **from South Africa to other countries in Africa**, amounting to \$75 billion (R 1.2 trillion) between 2015-2020
- It is the **largest single investor region in Africa**, with total investments between 2010-2021 amounting to **\$20 billion** (R 315 billion), generating over 28,000 jobs
- Thanks to its role as economic engine of South Africa and of Southern Africa, it is a **platform of attractiveness** for local and international businesses into African markets thanks to competitive advantages:
  - ❑ Global cost advantage when compared to peers
  - ❑ Growing infrastructure base
  - ❑ Institutional base for governance
  - ❑ International relations
  - ❑ Talented workforce



# The European House – Ambrosetti has a long-standing commitment towards Africa

- During the first week of September, The European House – Ambrosetti’s 47th annual flagship forum on “**Intelligence on the World, Europe, and Italy**” took place at Villa d’Este, Cernobbio
- On this occasion, Africa was represented thanks to the presence of
  - H.E. **Félix Tshisekedi**, President of the Democratic Republic of Congo and Chairman of the African Union
  - H.E. **Abdul Hamid Dbeibeh**, Prime Minister of Libya
- Sharing their views on views on the future of Africa in the post Covid-19 era, they highlighted how the continent offers increasing opportunities for European companies thanks to a more inclusive and sustainable growth path



# Valerio De Molli

Managing Partner & CEO  
The European House - Ambrosetti  
valerio.de.molli@ambrosetti.eu

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