



SOUTHERN  
**AFRICA EUROPE**  
CEO DIALOGUE  
2014 2023 *10<sup>th</sup> Anniversary*



**The European House**  
**Ambrosetti**

## SOUTHERN AFRICA EUROPE CEO DIALOGUE

10<sup>th</sup> Edition

Marriott Hotel Melrose Arch - Johannesburg

**November 9-10, 2023**

# PRESENTATION BY VALERIO DE MOLLI

In cooperation with:



**GAUTENG**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA



GAUTENG GROWTH AND DEVELOPMENT AGENCY



**GAUTENG**  
It's about time.

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Masina Makhado Special Economic Zone



**Sisal**

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Pretoria





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**AFRICA EUROPE**  
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**10<sup>th</sup> edition**  
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**Valerio De Molli**

Managing Partner & CEO, The European House - Ambrosetti



## About The European House – Ambrosetti and the Southern Africa Europe CEO Dialogue

- The context of the Southern Africa Europe CEO Dialogue
- Africa through the lenses of the Global Attractiveness Index Africa

# The European House - Ambrosetti

- The European House - Ambrosetti is a leading Italian management consulting firm. **Established in 1965**, it is headquartered in Italy and with a network of foreign offices around the world
- 15 years after the management buy-out, which settled the founder, The European House - Ambrosetti strengthened its international leadership and confirmed itself since 2013 - in the “Best Private Think Tanks” category - **the No. 1 Think Tank in Italy, No. 4 in the European Union and among the most respected and independent out of 11,175 Think Tanks globally** (source: “Global Go To Think Tank Index Report”).  
The European House – Ambrosetti was recognized by Top Employers Institute as **one of the 141 Top Employers 2023 in Italy**
- The European House - Ambrosetti provides:
  - **Strategic and managerial consulting services**
  - **Creation of strategic scenarios** and policy-making and advocacy activities (over 250 a year)
  - **Local development programs** for regional governments and major local players (over 50 initiatives in the last 3 years)
  - High-level training programs and **political and entrepreneurial leadership forums** (over 550 meetings a year involving over 3,000 experts from around the globe)



# The European House - Ambrosetti

## Our Figures, our Successes

More than  
**550**  
Events

Organized in 2022, of which 11% digital, 8% physical and 81% 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

**17,000**  
Managers  
**1,300**  
Clients

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

**42,000**  
Participants

National and international that attended our events and meetings

More than  
**250**  
strategic studies and scenarios

Designed each year for national and international institutions and corporations

**#1**  
Think Tank

Private in Italy, #4 in the European Union and among the most respected and independent – since 2013 – out of 11,175 globally, based on a survey of 73,000 leaders from government and institutions, business and media, in more than 100 countries worldwide (\*)

**49**  
Years

of the Cernobbio Forum: those attending the last edition represented managed assets of €50 trillion; 7 governments represented

**TOP**  
EMPLOYER  
2023

For the third consecutive year, The European House – Ambrosetti has been recognized as a Top Employer. One of the 141 Top Employers 2023 in Italy, based on the analysis of 6 specific areas of HR policy and over 400 best practices monitored

**300**  
People  
**54%**  
Women

Who share the same passion and drive.  
42 people abroad (China and the Middle East)

**10**  
Years

For the last ten years, key player in the Italian innovation ecosystem: Corporate Venture Capital, Open Innovation and Startup Accelerator

**30**  
Years

The experience of our sustainability team in made-to-measure solutions and projects to accelerate company transition towards a sustainable future. In the last year alone, more than thirty companies chose us

**4**  
new acquisitions

In 2023, 4 new societies joined the Group: Cybrain, specializing in cyber security services; GDS Communication, specializing in integrated marketing and communication; Oltre Consulting, specializing in the development of international sports entertainment and food projects; Harvard Business Review Italia, the Italian edition of the Harvard Business Review

**120**  
Family -  
Owned  
Businesses

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

**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).  
Mentioned as a case of excellence in the treaty between the Italian Republic and the French Republic for enhanced bilateral cooperation, co-signed by the President of the Italian Council of Ministers and the President of the French Republic

**18**  
Countries

With direct presence or in partnerships.  
In 2020, we provided support to Italy's presidency of the G20 through the formulation of eight policy recommendations involving the priority areas for action of the Italian presidency (the "3Ps": People, Planet, Prosperity)



# We have built permanent international platforms around the world



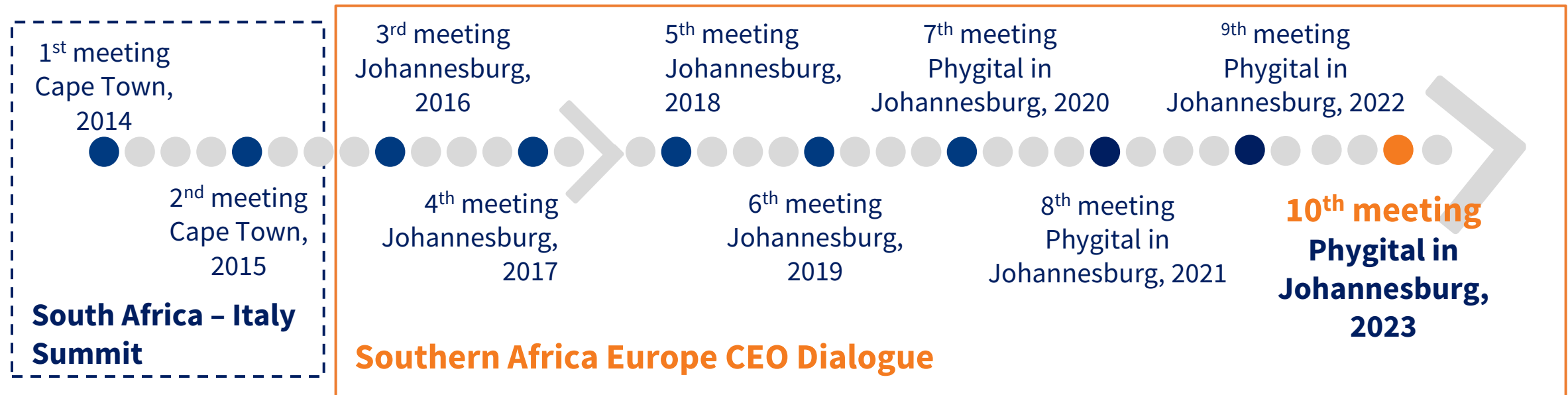
- **70 Governments** involved
- **>250** speakers every year (ministers, CEOs, economists, etc.)
- **>3,000** business leaders and institution representatives every year

# The path to the 10<sup>th</sup> edition of the Southern Africa Europe CEO Dialogue



The European House – Ambrosetti launched in **2014** the “South Africa – Italy Summit” to foster bilateral relations between Italy and South Africa

In 2016, we expanded from a bilateral into a **regional platform**, involving European and Southern African business leaders: the “**Southern Africa Europe CEO Dialogue**”



# Gauteng Province with Johannesburg represents the perfect business match to Lombardy Region with Milan



## GAUTENG PROVINCE

- Largest contributor to South African economy accounting for **33%** of the national GDP with **\$98 billion** (ZAR 1.5 trillion)
- If Gauteng were a country, it would be the **7<sup>th</sup> largest in Africa** in terms of GDP
- **1<sup>st</sup> South African exporting region** with over \$75 billion (ZAR 1.2 trillion) between 2015-2020
- **Wealthiest region** in South Africa with **\$9.681** GDP per capita
- **Financial and manufacturing hub** in the whole Sub-Saharan Africa
- **Most populated region** with 15.8 million inhabitants (24.2% of the total) and Johannesburg being the **largest metropolitan area** in South Africa

## LOMBARDY REGION

- Largest contributor to economy of Italy making up **22%** of the national GDP with **€384 billion**, twice the GDP of the 2<sup>nd</sup> region (Lazio)
- **2<sup>nd</sup> largest region** in terms of GDP in the **European Union**
- **1<sup>st</sup> Italian exporting region** worth over **€163 billion** in 2022 (26% of the total)
- **Wealthiest region** in Italy with **€37.611** GDP per capita
- **Financial and manufacturing hub** in Italy and in Southern Europe hosting banks and HQ of major multinational companies
- **Most populated region** with 9.98 million inhabitants (16.9% of the total) and Milan being the **largest metropolitan area** in Italy



# Among the direct outcomes of the Summit



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



Investment explored in the **e-waste** field



Funding of a plant for **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



Field business mission with **multiple deals** in different industrial sectors



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



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

**... and many others!**



# The European House – Ambrosetti also organizes collateral initiatives beyond the CEO Dialogue (1/2)



## CEO COMMUNITY – AFRICAN CHAPTER

The CEO Community is a **regional club of CEOs from European and African companies** that brings together business leaders from Southern Africa to foster exclusive networking activities. In August 2022, we brought to Maputo, Mozambique, a delegation of 40 entrepreneurs to explore investment opportunities directly with President Filipe Nyusi

## INDUSTRIAL ROAD-SHOWS

To help European companies explore the SADC market, we organize **tailor-made road shows and trade missions** in target countries. In November 2022 we led a delegation of Italian entrepreneurs active in the field of luxury goods to South Africa, with the goal to evaluate a local investment to build a plant dedicated to the recycle and refinery of e- waste





# The European House – Ambrosetti also organizes collateral initiatives beyond the CEO Dialogue (2/2)



## INDUSTRIAL ROUND TABLES

The contents discussed at the Summit can be deepened throughout the year thanks to **dedicated events** organized in collaboration with selected partners (e.g., associations, organizations and institutions). For example, in December 2021 we organized a Round Table with Italian entrepreneurs and Zambian authorities to highlight business perspectives in the Copperbelt Province, focusing on the extended mining & minerals value chain

## LOCAL MEETINGS IN EUROPE

Each year, before the CEO Dialogue takes place, we organize **local meetings in selected European cities** to present the investment and business opportunities in selected African countries. The meetings are organized thanks to our wide CEO network, and normally involve approximately 30 CEOs of leading companies. In 2023, local meetings have been scheduled in Brussels, Florence and Milan



- About The European House – Ambrosetti and the Southern Africa Europe CEO Dialogue

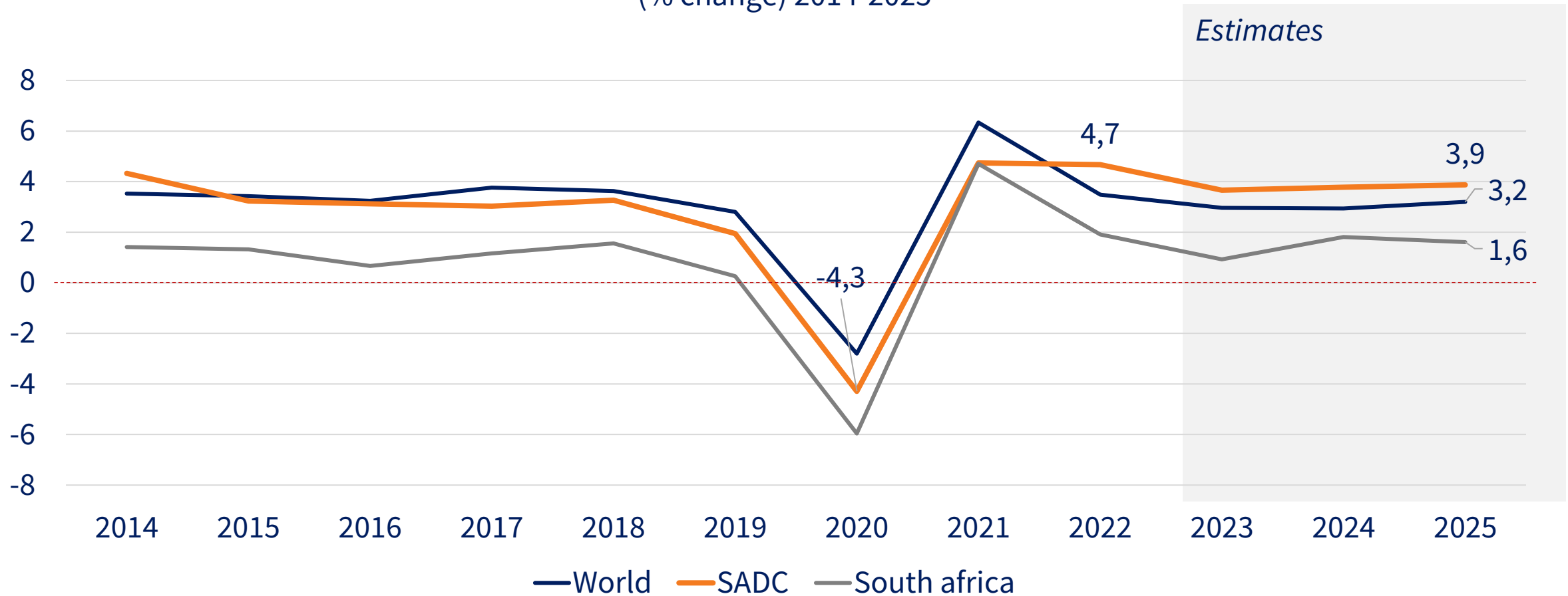
## The context of the Southern Africa Europe CEO Dialogue

- Africa through the lenses of the Global Attractiveness Index Africa

# Despite being strongly impacted by Covid-19, SADC fully recovered in 2022 and surpassed global average for the 1<sup>st</sup> time in 7 years



**Annual GDP growth in the world and SADC countries**  
(% change) 2014-2025<sup>e</sup>



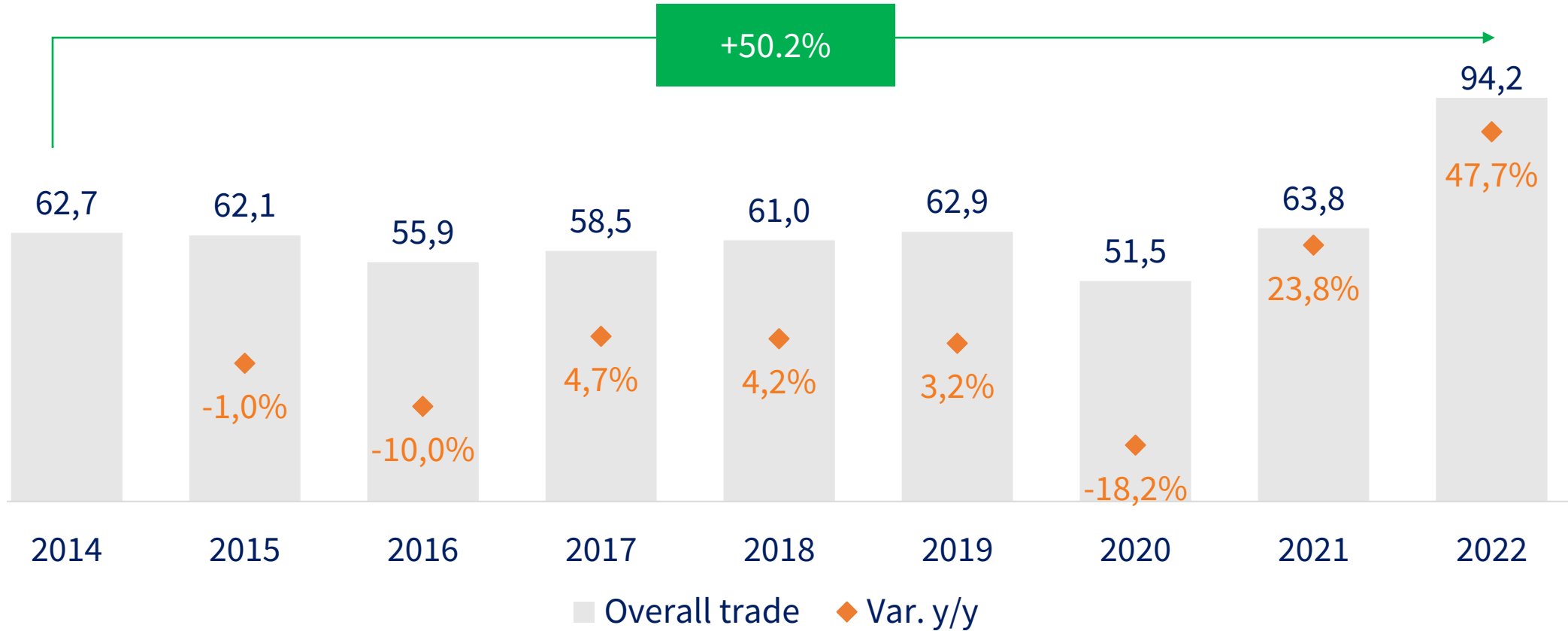
Source: The European House – Ambrosetti on International Monetary Fund data, 2023



# Since the CEO Dialogue started in 2014, trade between EU and SADC countries has constantly increased and hit an historical record in 2022



**Overall commercial trade between EU-27 and SADC countries** (export+import, € billion and var. y/y), 2014-2022

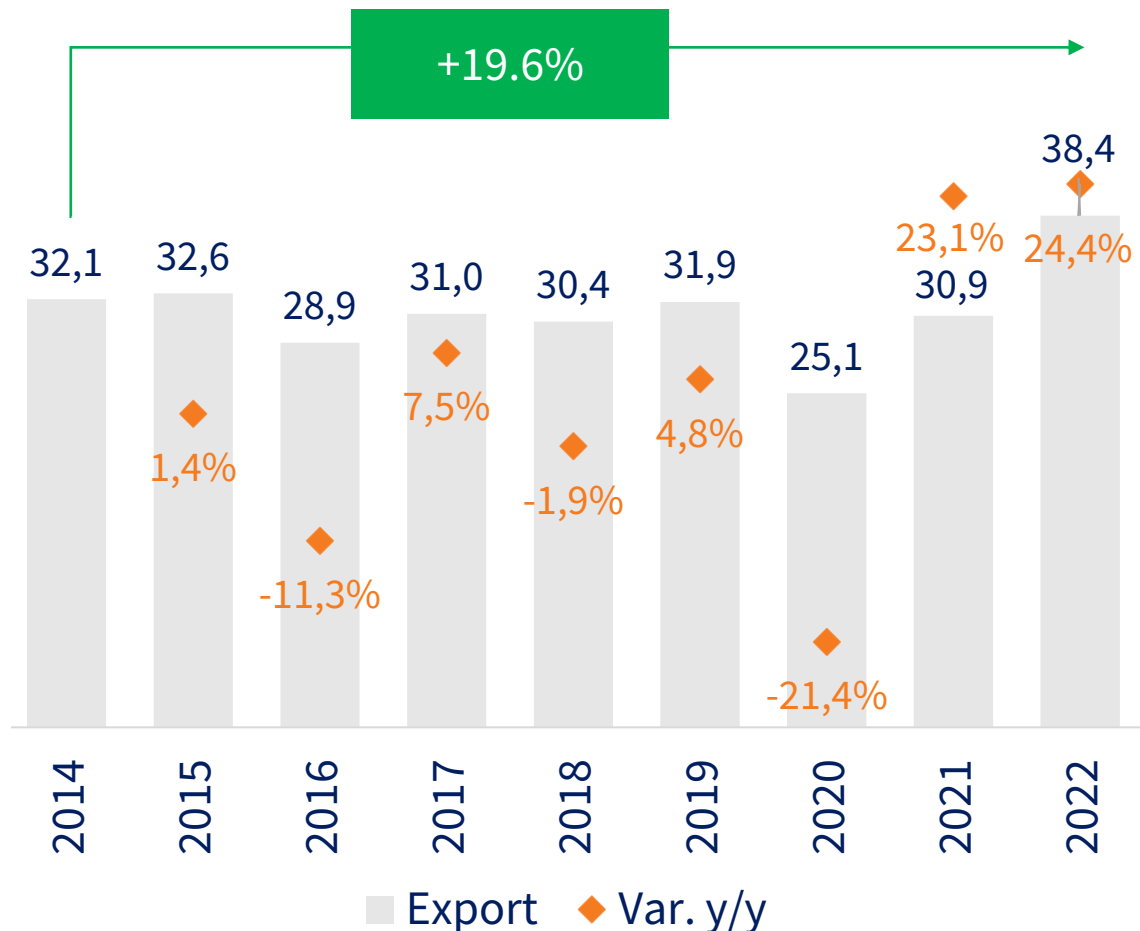


Source: The European House - Ambrosetti elaboration on European Commission data, 2023

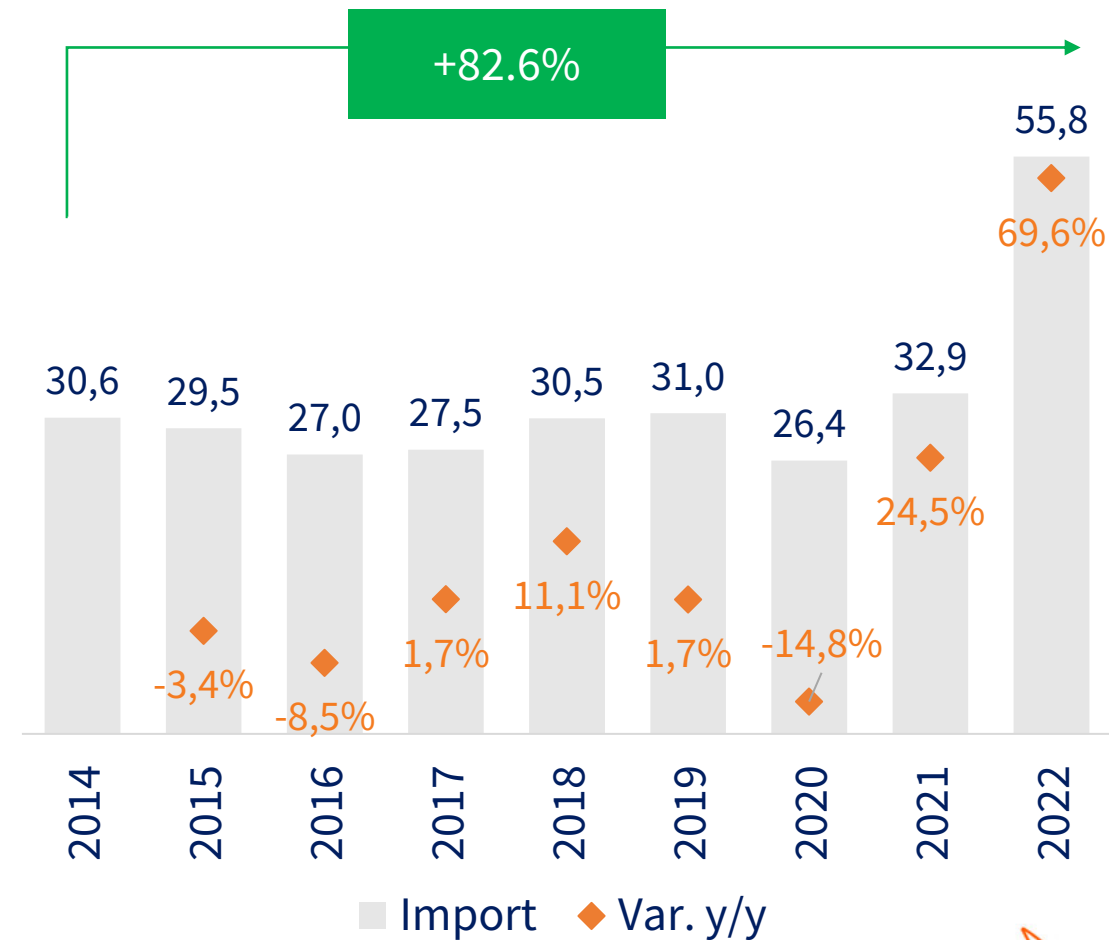
# ... mostly driven by import that almost doubled between 2014 and 2022, reaching 55.8 billion Euro



**Export from EU-27 to SADC countries**  
(€ billion and var. y/y), 2014-2022



**EU-27 import from SADC countries**  
(€ billion and var. y/y), 2014-2022

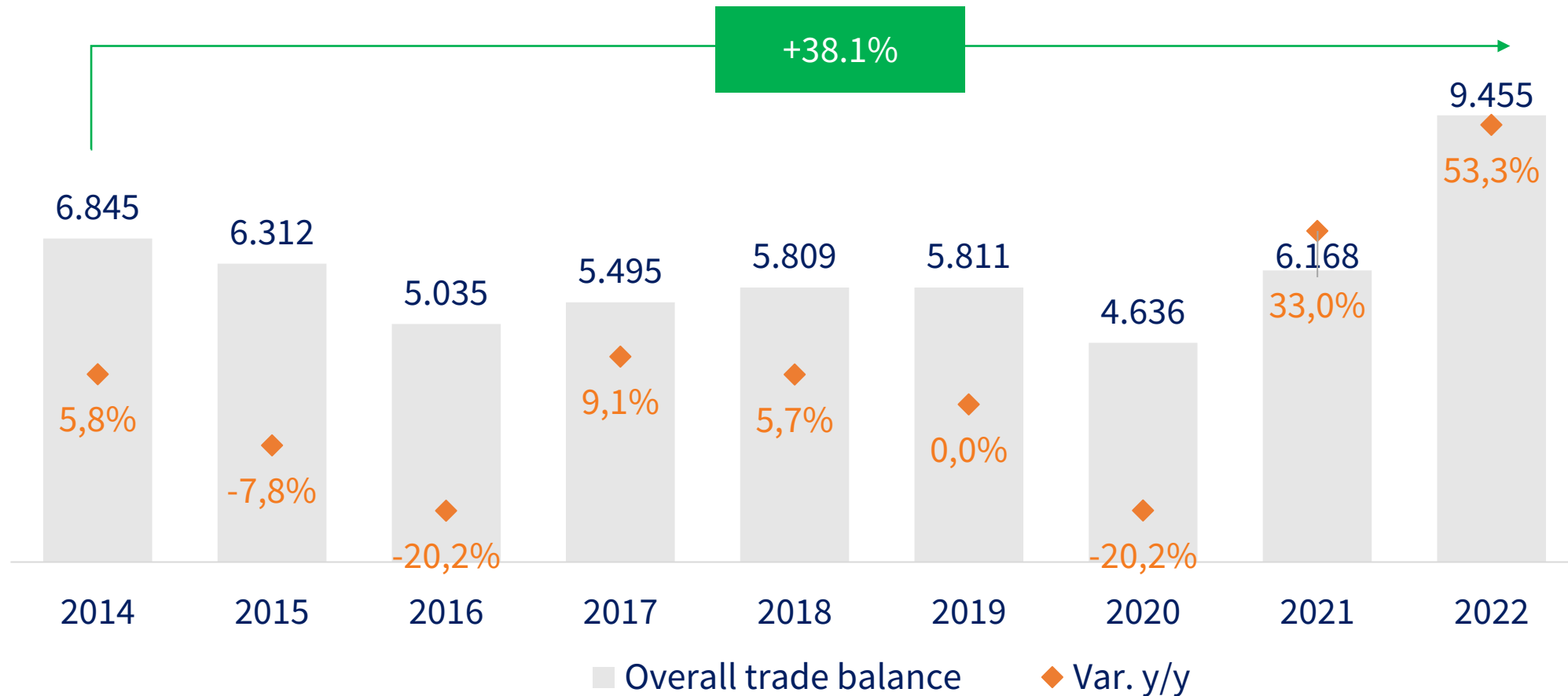


Source: The European House - Ambrosetti elaboration on European Commission data, 2023

# Also bilateral trade between Italy and SADC countries, accounting for 10% of total European trade, reached a peak in 2022



**Overall commercial trade between Italy and SADC countries** (export+import, € million and var. y/y), 2014-2022

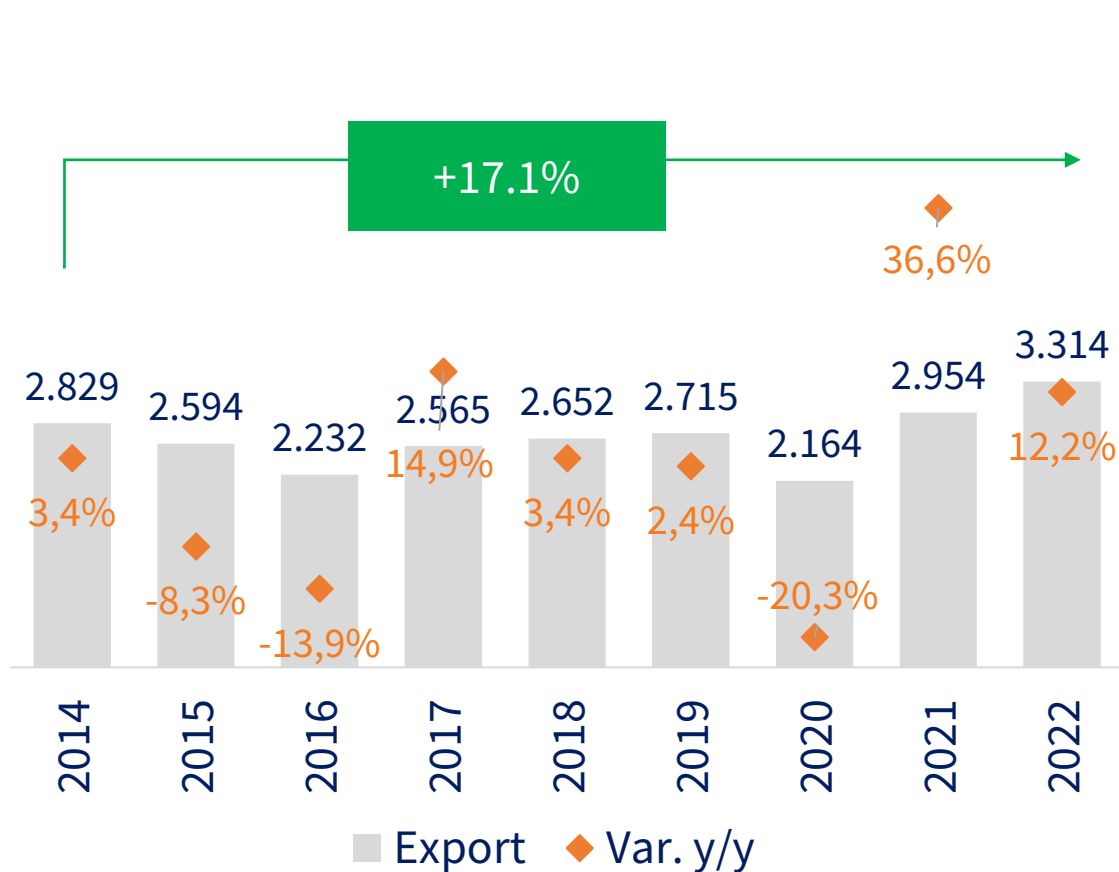


Source: The European House - Ambrosetti elaboration on Coeweb data, 2023

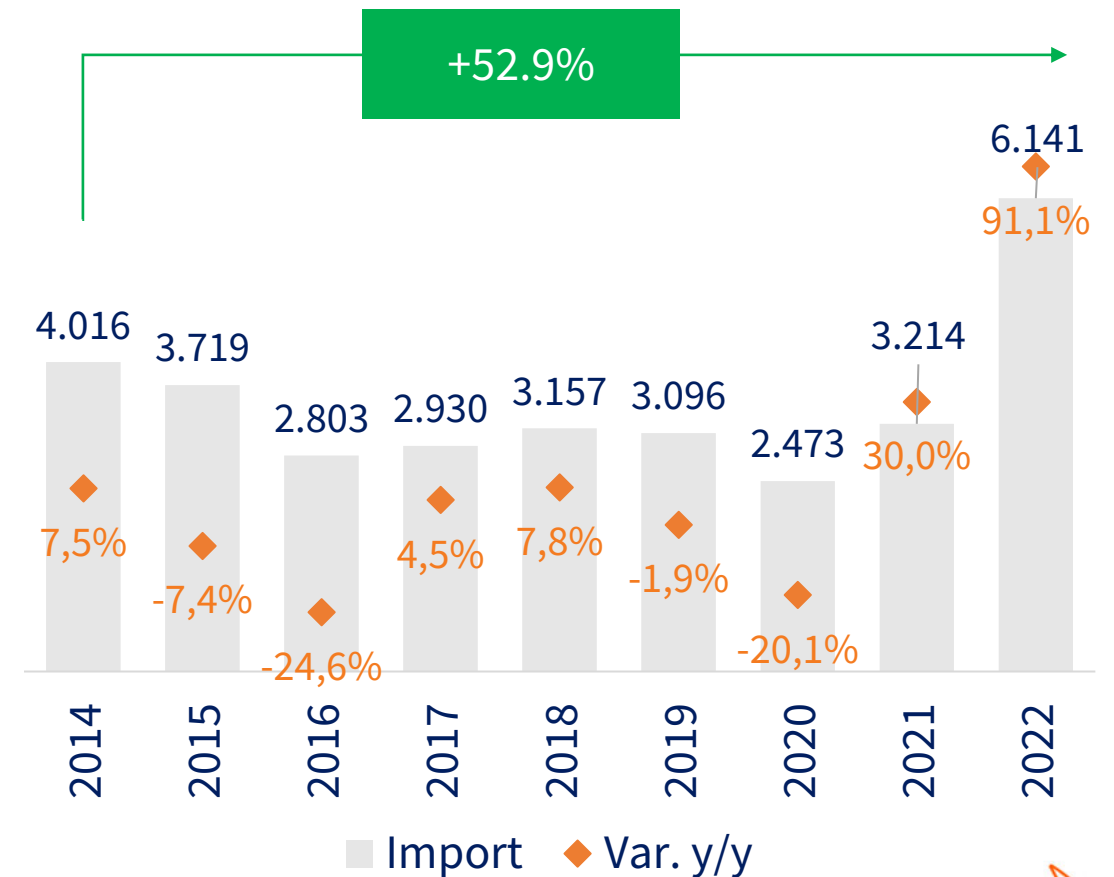
# ... with record high value both in import (6.1 billion Euro) and export (3.3 billion Euro) in 2022



**Export from Italy to SADC countries**  
(€ million and var. y/y), 2014-2022



**Italian import from SADC countries**  
(€ million and var. y/y), 2014-2022

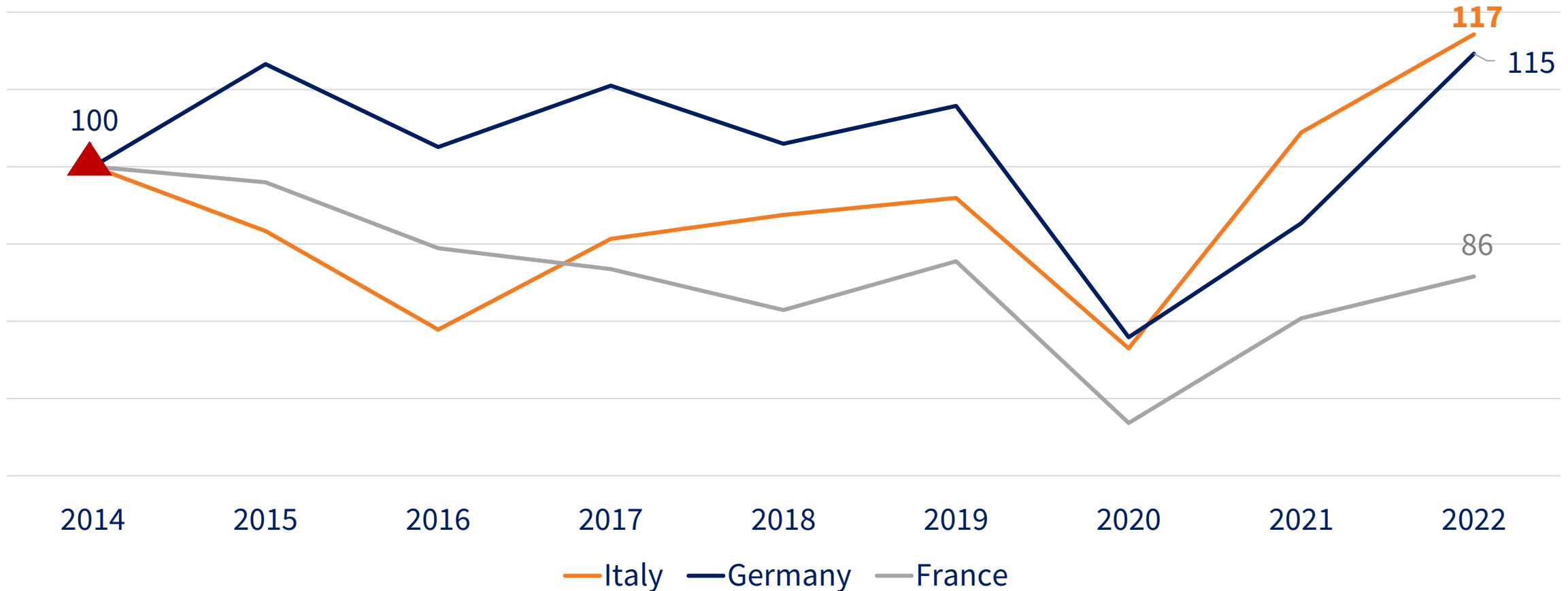


Source: The European House - Ambrosetti elaboration on Coeweb data, 2023

# After 2020, export between Italy and SADC countries outperformed Germany and France, with an increase of 17 p.p. from 2014



**Export from Italy, Germany and France to SADC countries,  
2014-2022 (2014 = 100)**



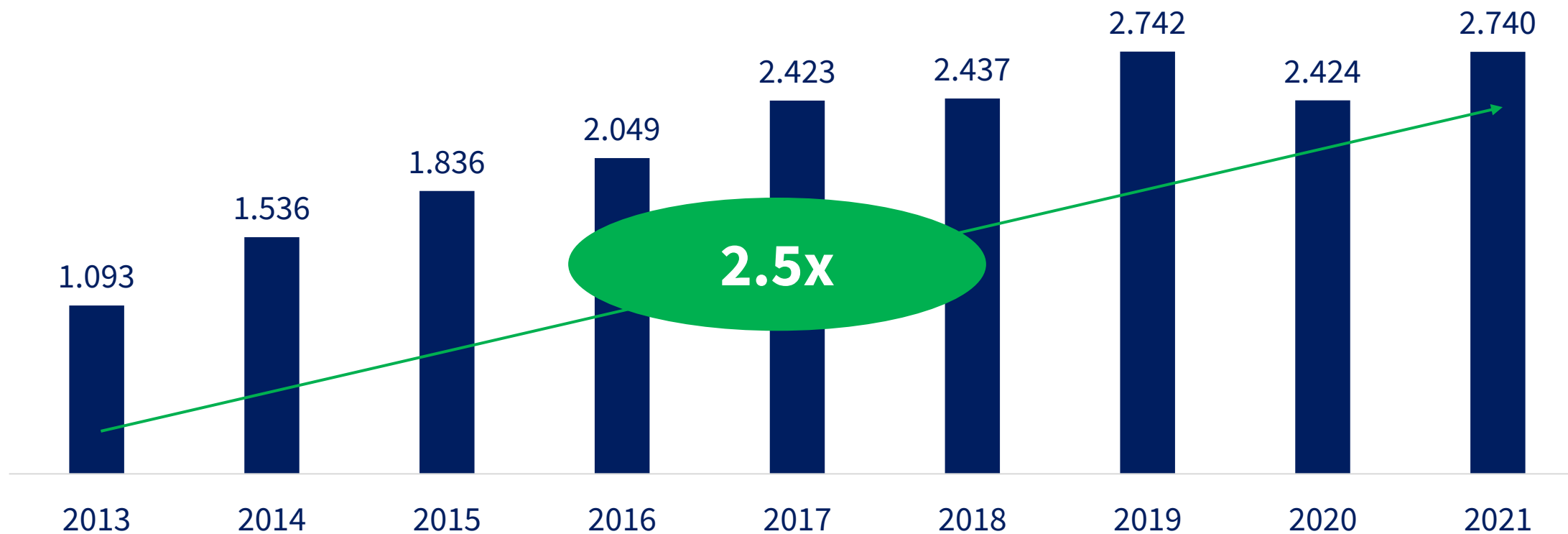
Source: The European House - Ambrosetti elaboration on European Commission data, 2023



# Since 2014, Italian FDIs towards SADC countries more than doubled



**Outward FDIs stocks from Italy to SADC countries**  
(€ million), 2014-2021



Source: The European House - Ambrosetti elaboration on Banca d'Italia data, 2023

# In this context, two international agreements will further strengthen the trade and investment relations of Africa



Creating One African Market

## African Continental Free Trade Area (AfCFTA)

- World's largest **free trade area** by the **African Union**
- Signed in 2018 and entered into force in **2021**



## Global Gateway Initiative

- Worldwide **strategy** by the **European Union**
- Launched in **2021** by the European Commission and the EU High Representative

# The AfCFTA entered into force in May 2021: connecting more than 1.3 billion people, it will be the largest free area in the world



## AfCFTA



### Vision

- To lift 30 million people out of extreme poverty and to raise the income of 68 million others by stimulating **free movement of people and labour, competition, investments and intellectual property**



### Objectives

- Reduce **tariffs** among member countries
- Foster **trade facilitation and services**
- Introduce **regulatory measures** e.g. sanitary standards, technical barriers to trade, etc.

### KEY FIGURES OF THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)

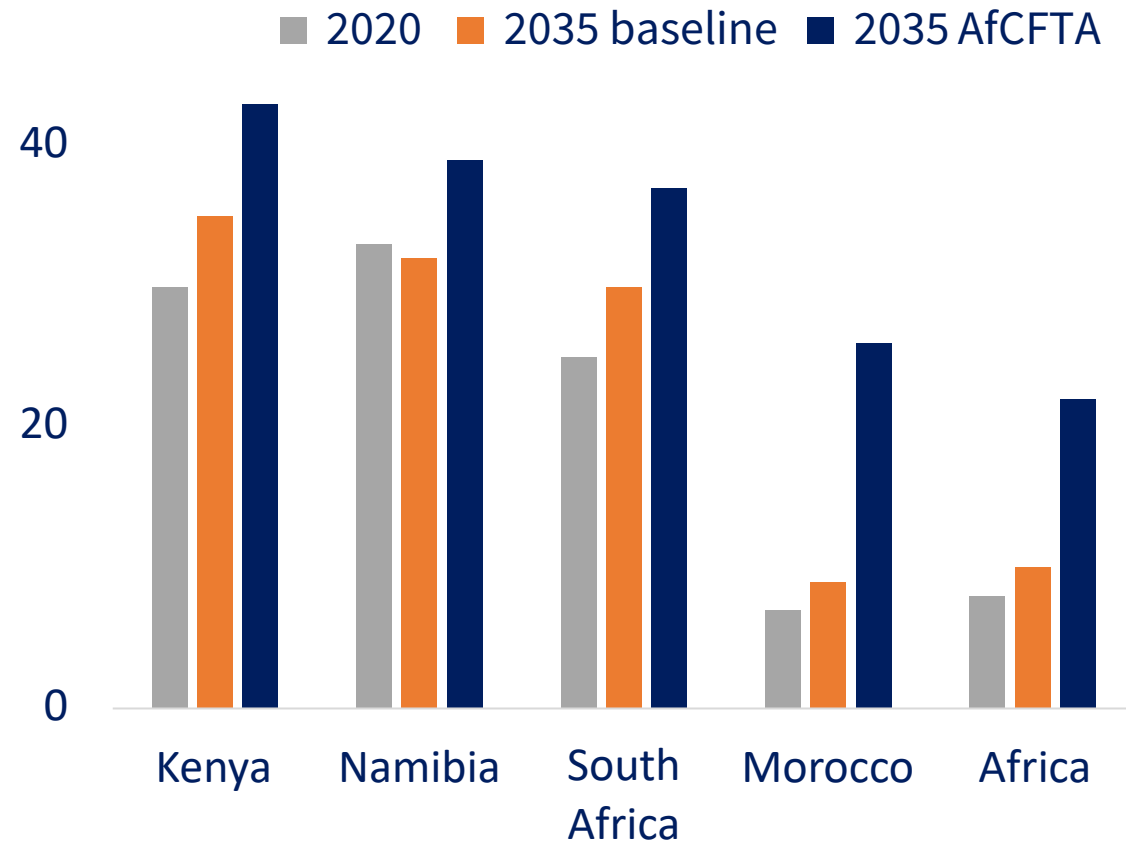
- **1.3** billion people
- **44** countries with a combined GDP of **US\$ 3.4 trillion**
- Increase Africa's exports by **US\$560 billion**, mostly in manufacturing
- Boost wages
  - **10.3%** for unskilled workers
  - **9.8%** for skilled workers

Source: The European House – Ambrosetti elaborations on World Bank “The African Continental Free Trade Area”, 2023.

# It is expected that intra-AfCFTA exports will rise from 15% in the baseline scenario to over 21% in the AfCFTA scenario by 2035



## Share of intra-AfCFTA exports in total exports in Africa and in selected countries (%), 2022



### Sectors with largest expansion of exports:

- Chemical and plastic products
- Processed food products
- Health services
- Education services
- Transport services

# Within the Global Gateway, the EU and the AU agreed on an Africa-Europe Investment Package of 150 billion Euro...



*We will support **smart investments** in quality infrastructure, respecting the highest **social and environmental standards**, in line with EU values and norms. The Global Gateway strategy will serve as an inspiration for Europe in building more resilient connections to the world*

Ursula von der Leyen  
President of the European Commission

## KEY FIGURES OF THE GLOBAL GATEWAY INITIATIVE

- **300 billion Euro** between 2021-2027, of which **150 billion Euro** destined to Africa
- EU contribution to reducing the **global investment gap**
- **5 priorities** of investments:
  1. Energy transition
  2. Digital transition
  3. Sustainable growth and employment
  4. Health systems
  5. Education



# ... that will address three strategic areas: smart infrastructures, digital interconnection and green energy



## Smart infrastructures



- Integration of **multimodal transport networks**, with strategic corridors and regulatory frameworks
- Targeting **95 regional value chains** within **23 sectors**
- Focus on **raw materials** to ensure European supply

## Digital interconnection *EurAfrica Gateway Cable*



- Infrastructures of digital connection to **connect the EU and Africa** along the Atlantic Ocean coastline facilitating **digital sovereignty**
- Regional fibre-optic network projects through **Africa Europe Digital Innovation Bridge**

## Green energy *Africa EU Energy Initiative*



- increasing **green energy production** and **energy access** for African citizens, supporting the interconnection between different markets and electricity grids and supporting reforms for private investments
- Development of **at least 50 GW** of additional renewable energy by 2030

# Index

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- About The European House – Ambrosetti and the Southern Africa Europe CEO Dialogue
- The context of the Southern Africa Europe CEO Dialogue

**Africa through the lenses of the Global Attractiveness Index Africa**

# The European House – Ambrosetti launched the Global Attractiveness Index (GAI) Africa



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**



# Features of the Global Attractiveness Index (GAI)

## REPLICABILITY

**Annual updating**, made possible by the use of variables (KPIs) gathered on a regular basis by major international bodies

## OBJECTIVITY

Based primarily on **objective quantitative variables** mapped using international databases

## SOLIDITY

**A small number of proxy indicators**, that are as independent as possible

## SIGNIFICANCE

**Focus on “results”** (output) rather than “efforts” (input)

Goal of the GAI: **measure a country’s attractiveness**, a decisive factor in assessing its development capacity

### INTERNAL

Ability to **retain resources already present** in the country

### EXTERNAL

Ability to **attract resources not present** in the country



# The structure of the Global Attractiveness Index



## Global Attractiveness Index

### Positioning Index (IP)

Openness

Innovation

Efficiency

Endowment

### B Dynamism Index (ID)

$\Delta$  Openness

$\Delta$  Innovation

$\Delta$  Efficiency

$\Delta$  Endowment

### C Sustainability Index (IS)

Resilience

Vulnerability

Ecological Transition

### D Future Orientation

### E Conflict Exposure Index

- **Historical Index** calculation over **seven years** (2016-2023), the only index with this feature
- More than **33 KPIs analysed** and tested for all Countries and for all years
- Over **30,000 data** updates and checks

# Key Performance Indicators behind the Global Attractiveness Index Africa



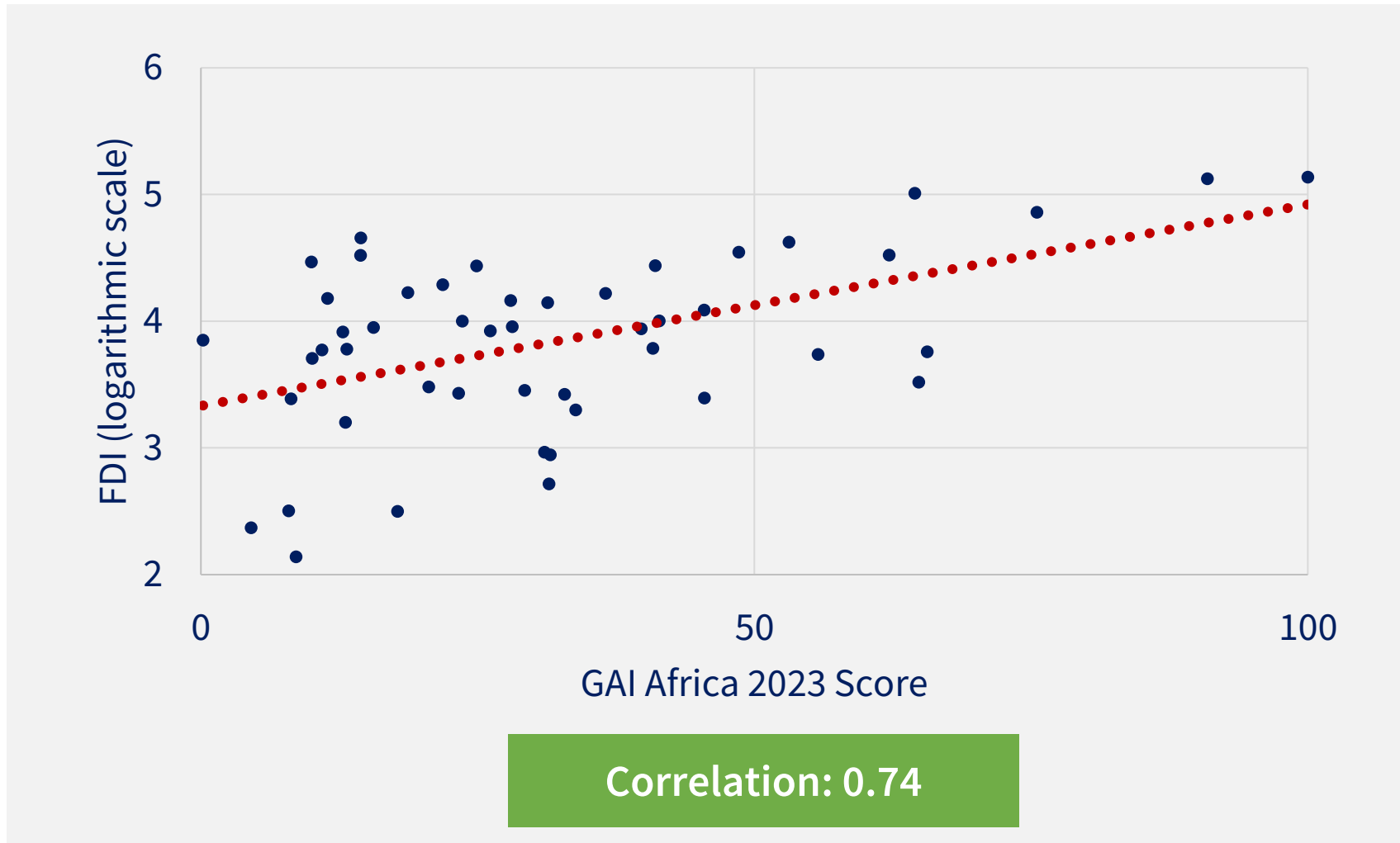
Openness	Innovation	Efficiency	Endowment	Resilience	Vulnerability
<ol style="list-style-type: none"> <li>1. FDI inward stock</li> <li>2. Current account (% GDP)</li> <li>3. Product concentration and diversification index of exports and imports</li> <li>4. Export of products and services</li> <li>5. Migrant 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 2023 Scores  
and FDIs inwards (stock), 2023**





# According to the GAI Africa 2023 rankings, South Africa ranks 1<sup>st</sup> as for the past eight years



## Ranking of the first 20 countries according to the GAI Africa 2023

	Country	GAI Rank 2023	GAI Score 2023	GAI Rank 2022	Dynamicity	Sustainability
High Attractiveness	South Africa	1	100,00	1	Green	Green
	Egypt	2	84,88	2	Red	Green
	Morocco	3	67,83	5	Yellow	Green
	Seychelles	4	67,06	3	Green	Green
	Mauritius	5	65,84	6	Green	Green
Medium high attractiveness	Nigeria	6	60,58	4	Red	Yellow
	Algeria	7	58,50	7	Green	Red
	The Gambia	8	53,92	14	Red	Light Green
	Botswana	9	53,86	10	Green	Yellow
	Namibia	10	50,91	18	Green	Light Green
	Ghana	11	45,95	9	Red	Light Green
	Tunisia	12	45,00	8	Light Green	Green
Medium low attractiveness	Togo	13	42,78	16	Red	Green
	Senegal	14	42,47	12	Yellow	Green
	Cabo Verde	15	39,76	22	Green	Green
	Cote d'Ivoire	16	39,67	13	Red	Light Green
	Ethiopia	17	39,52	11	Red	Light Green
	Tanzania	18	37,50	20	Red	Light Green
	Kenya	19	36,84	15	Red	Green
	Rwanda	20	33,53	30	Light Green	Light Green

## Valerio De Molli

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Twitter: @ValerioDeMolli

*Dal 2013 The European House - Ambrosetti è stata nominata nella categoria "Best Private Think Tanks" - 1° Think Tank in Italia, 4° nell'Unione Europea e tra i più rispettati indipendenti al mondo su 11.175 a livello globale (fonte: "Global Go To Think Tanks Report" dell'Università della Pennsylvania)*

