

# Investment into Africa may rebound: UN

GENEVA - Investment into Africa may buck the global downward trend and stage a rebound this year despite low prices hitting the oil and gas sector, a UN agency said late last week.



Image by 123RF

While foreign direct investment, a key driver of trade and economic growth, is set to drop by 10 to 15% this year globally, in Africa it may increase by 6% to \$55 to 60 billion, the United Nations Conference on Trade and Developments (UNCTAD) said in a report.

"This bounce-back is already becoming visible in announced greenfield projects in Africa. In the first quarter of 2016, their value was \$29 billion, 25% higher than the same period in 2015," said the agency.

While north African countries such as Egypt and Morocco were seeing the biggest rise in prospective investment, UNCTAD said the positive trend prevails more widely.

The agency said it expects most investment to go into services (such as electricity, gas and water supply), followed by manufacturing, including the automobile industry where a number of automakers have announced projects in the region.

UNCTAD expressed concern about the the drop in foreign direct investment elsewhere, which it said reflected weak demand and sluggish growth in some commodity exporting countries.

"This drop in FDI is troubling, because our global economy urgently needs investment to get it going again," UNCTAD Secretary-General Mukhisa Kituyi said in a statement.

While the International Monetary Fund on Tuesday held steady its forecast for sluggish global growth of 3.1% this year, it cut its forecast for global trade growth to a very low 2.3%.

UNCTAD expects foreign direct investment to pick up next year.

Source: [AFP](#).

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