

## 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In several jurisdictions in Africa, the information critical to your existence or operations might be outdated, inaccurate or simply not exist.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

[www.afridiligence.com](http://www.afridiligence.com)

### **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.

### **For more information please contact us:**

#### **Southern Africa**

21 Dreyer Street  
Claremont  
Cape Town  
Southern Africa  
[saf.fo@afridiligence.com](mailto:saf.fo@afridiligence.com)  
+27 21 300 3653

#### **East and Central Africa**

14 Riverside,  
Riverside Woods  
Off Riverside Drive  
Nairobi  
Kenya  
[eca.fo@afridiligence.com](mailto:eca.fo@afridiligence.com)  
+254 20 389 2546

#### **Western Africa**

39 Kingsway Road  
Ikoyi  
Lagos  
Nigeria  
[waf.fo@afridiligence.com](mailto:waf.fo@afridiligence.com)

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.

© 2019 afridiligence . All rights reserved. ZNA01234-2233

 **afridiligence**