



AFRICA HOUSE

Insight & Access. Projects & Trade.

Market Feasibility Studies

For Companies Wanting to Invest in New Production Facilities
in Sub-Saharan Africa

Why?

- Allows business development managers to understand:
 - The opportunity provided by a particular market or region for a new manufacturing facility;
 - The competitive landscape at a regional (supra-national), national, or sub-national level;
 - The opportunity to enter a new market or defend market share in a current market of operation;
 - Develop a long-term sub-regional and regional expansion strategy through a thorough analysis of the drivers of growth, competitive landscape and areas of opportunity;
- Provides the tools to motivate expansion plans to boards, financiers or investors, through:
 - Accurate market sizing and forecasting;
 - Realistic growth forecasts for individual countries and regions;
 - A well-defined mapping of drivers, growth areas, threats and opportunities;

What is included?

- **Country Overview:**
 - A basic overview of the country is provided, including key economic, demographic and business related data;
 - This includes times series data of the GDP by sector, GDP by Province, population (total, urban and rural) at a national and provincial level;
 - This allows for the market to be segmented on a sub-national level, which has implications for the location of potential plants;
- **Market Size and Growth:**
 - Five to ten-year historical analysis of size and growth production of the specific commodity or product in the target country;
 - Five to ten-year historical analysis of global exports and imports, by tariff code and partner country, with the target country;
 - Analysis of historical and current market size based on production plus imports, minus exports;
- **Drivers of Future Growth:**
 - Five to ten-year historical analysis of size and growth of key sectoral drivers of growth in the target country and neighbouring countries as indicators of potential;
 - Correlations of growth between consumption of target product and key growth indicators to predict future consumption potential;
 - Analysis of key current and upcoming projects of interest by sector. This provides both indicators of opportunity as well as actual projects for the client to engage with in the target country;
 - Location of key projects in the country as an indicator of potential by province
- **Competitor Analysis:**
 - The direct (in-country) or indirect (has representation) presence of key competitors in the target country or region;
 - Their capacity, production and market share over a five year period;
 - Current or planned expansions by existing operators or companies who have indicated an intention to invest in the sector;
 - Analysis of the presence and growth in consumption of competing products or solutions as an indicator of a broader potential within a country;
- **Future Market Growth and Size:**
 - Based on the markers and data above, ten-year forecast scenarios on consumption are developed;
 - This allows potential investors to develop both conservative and aggressive development plans for the market and/or region;

What is included?

- **Input Costs:**
 - Locally available raw materials and other input costs are provided, with indicators of increases in cost over a defined period in order to forecast future costs;
 - Costs include raw materials, power, water, labour, transport, rentals and related costs;
- **Logistics and Trade Barriers:**
 - Where this is key to a project, the ability to deliver products to key consumer markets is analysed;
 - Distance to markets and state of roads/ports/railways is provided;
 - Ability to tap markets in neighbouring countries;
 - Import duties and additional taxes applicable in the target country (as a defence mechanism) and in regional markets (as an opportunity of barrier to entry);
- **Pricing:**
 - Competitor pricing for comparable products and related products that compete with the client product;
 - Margins in the market along the value chain;
- **SWOT Analysis:**
 - On completion of the analysis, a SWOT analysis is provided, along with conclusions and recommendations on the way forward;
- **Contact Databases:**
 - All contacts met in the course of the study, including key government officials, private sector representative bodies, potential partners, service providers in the market and other players of interest are provided in a database;
 - This allows the client to engage with potential partners, clients, service providers and others from an early stage in the project;

Who Has Benefitted From This?

- A sample of our clients who have benefitted from these rankings reports include:
 - Global producer of plasterboards, plasters and related products;
 - South African and global cement producers identifying new markets of potential for direct investment;
 - International financial intermediaries undertaking independent assessments of the viability of project-promoter driven proposals;
 - European DFI assessing the potential to invest in renewable energy projects in 9 markets;
 - Global mining company assessing monetisation options in Southern Africa;



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