

The land of financing opportunities - Africa's economic revolution is here

Europe perceives the continent as a continent of opportunity. Barika & Kraft consultants are experiencing the impact of the boom.



Dubai, United Arab Emirates Aug 19, 2022 ([Issuewire.com](https://www.issuewire.com)) - Globally Africa still has a persistent reputation as an economically and technologically underdeveloped crisis zone. This is a short-sighted view of the continent. Africa has been offering investors excellent development opportunities for a long time and is eager for foreign capital to finance numerous infrastructure projects. That is why more and more European governments are supporting economic activities there that go far beyond classic development aid. For example, the German Federal Ministry for Economic Affairs and Energy (BMWi) supports the so-called "Africa Business Network" (WNA), which has just expanded its range of advisory services again. The aim of the WNA is to support small and medium-sized German companies as they enter the African market and make local investments. The leading idea is that even more German companies invest in Africa for the first time or expand their existing business. For this purpose, the WNA provides comprehensive information on regional market structures and the services offered by German foreign trade promotion. In addition, it provides local contacts and thus facilitates market access. Africa is increasingly seen as a "continent of opportunity"

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According to experts, academics, and businesspeople, the economy of sub-Saharan Africa is being seen from two perspectives. Whilst the optimistic side is considering Africa's moment has already arrived and despite the global economic crisis, the region's GDP has grown rapidly and the average poverty rate is declining, it is also to be noted that the durability of the growth must be taken into account when investing.

Under the German G20 presidency, the "G20 Compact with Africa" was initiated in 2017 to intensify the exchange between the 20 most important industrialized and emerging countries and the 12 participating African Compact countries. As part of the initiative, the German government launched the "Development Investment Fund," which primarily benefits the reform-oriented 12 Compact countries of Egypt, Ethiopia, Benin, Burkina Faso, Ivory Coast, Ghana, and Guinea, Morocco, Rwanda, Senegal, Togo, and Tunisia. The German Federal Ministry for Economic Affairs and Energy recently reiterated Africa's status as a "continent of opportunity," but highlighted persistent hurdles for small and medium-sized enterprises in opening markets: "The difficulties often lie in the underlying conditions, such as a lack of or inadequate infrastructure and political instability, but also in a lack of offers for financing."

Dubai-based Barika & Kraft aims to fill such financing gaps in Africa, as well as in other global regions with high growth potential. They offer a total package of business advisory and financing services. "From banking and insurance to asset management and securities distribution, the company's dedicated financial services teams serve all major sectors of the industry. Our work is based on more than 12 years of experience." The claim is to offer project financing that is as customized as possible, he says. The business consultants write, "In the financing world, loans are only given to those who can prove they don't need them. Our criteria are a little different: we have a start-up strategy." According to its website, the group's management consulting services include "strategy, marketing, operations, technology, transformation, digital, advanced analytics, corporate finance, mergers & acquisitions, and sustainability across all industries and geographies."

According to its data, Barika & Kraft manages 125 mediators and 2,500 active refinancers, with whose help it has successfully financed 270 projects worldwide in a wide range of economic sectors. The Dubai-based financing professionals have, for example, arranged the construction of an oil refinery in the US, a large solar power plant in Nigeria, and a five-star hotel in Spain. They also financed an agricultural project in Cameroon and a special hospital in Nigeria. Africa is playing an increasingly important role in the financing activities of Barika & Kraft. Expected returns seem to merge with the idea of concrete development aid.

Accomplished investment professionals report that innovative companies are turning to new financing alternatives to start or expand business operations more quickly. This is especially the case, they say, for companies in the renewable energy, innovation, and agricultural sectors, which could boost economic growth in key African markets. This is where project financiers from the United Arab Emirates step in. Late last year, Barika & Kraft helped several companies on the continent secure financing through a pool of international investors. These include companies in South Africa, Ghana, Nigeria, and Cameroon, for instance. Under this alternative financing model, Barika & Kraft handles all due diligence and market analysis, and helps capital recipients with expert all-round support, emphasizing that "companies are able to secure financing at competitive rates and extended maturities while contributing to job creation and economic growth in their local markets. We especially advise companies to consider debt restructuring so that they can pay off multiple loans bundled into one economically viable credit agreement "

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