



Press release

Panel session of Russian-African Forum during SPIEF 2016



Russia and Africa to accelerate economic ties

16.06.2016 – St Petersburg - A business roundtable held under the auspices of SPIEF 2016 was dedicated to the economic development of the African continent and to the relations between African countries and Russia. Africa is currently the second most attractive destination for investments, trailing only North America. Last year the total came up to USD 87 billion. The majority of funds originates in China, India and other BRICS countries. Speakers noted that there is potential for developing economic ties with the Russian Federation, which is currently underrepresented on the continent.

Mark Otty, a member of the Global Executive Committee and Managing Partner for Europe, Middle East, India and Africa (EMEIA), EY, was the moderator.

Africa is a rapidly developing continent; in recent years, with the exception of 2015, its GDP was growing rapidly. The population of Africa is young, in contrast to the global trend of ageing, speakers noted. The proportion of young people is currently 87%.

Vast quantities of mineral resources are present in Africa. There are approximately 10% of global oil reserves here, along with 40% of gold and significant amounts of chromium and platinum.

At the same time, the region experiences problems with infrastructure (transport, roads and power).

Proposals regarding the areas of development of Russian-African relations were voiced by Alpha Conde, President of the Republic of Guinea. He suggested creating a joint forum on economic cooperation. Russia should develop relations, including those in the area of finance, following the example of Chinese banks. Additionally, Mr. Conde drew the participants' attention to security threats on the African continent, in particular to terrorism. Russia could participate in solving such conflicts, noted the President of Guinea.

Speakers remarked that African countries should provide favourable conditions for Russian companies to operate on the continent. Secretary of State and Deputy Ministry of Energy Yuriy Senturin noted that Africa should facilitate the development of new forms of international business in the energy industry. Specialized companies must be provided favourable conditions, unimpeded access to energy markets and the end user. Additionally, a common market of energy could be established following the lines of the Eurasian Economic Union.

At present, Russian business on the African continent is represented by geological exploration, mining, air transport and fishing. Major Russian companies are willing to develop and expand their activities in the region in nuclear power and oil and gas projects. Three major African companies are represented in Russia.

"Investments in Africa have been seen mainly from China, India, our BRICS friends. We think there is an opportunity for Russia to do more in terms of investments into the continent. There is no risk in investing in Africa, it is a risk not to invest in the continent", Mzwandile Collen Masina, Deputy Minister of Trade and Industry of South Africa, noted.

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