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Q What led you to pursue a career in M&A?

A As an economist, at the onset of my now 18-year long career, working in M&A and investment was not something I would have imagined back then.

The start of my career catapulted me into the field of Sino-Africa relations. While this first entailed a more academic track, it quickly evolved into research, insights, strategy and investment advisory in the commercial corridor between China/emerging markets and Africa.

Focusing on Africa's economic transformation and socio-economic development was always a key passion, and increasingly my career pivoted to the value proposition and investment case of Africa's economies and diverse sectors.

This included advising on key investment opportunities and providing market research, trends, outlooks, risks and intelligence linked to targets and acquisitions in industries ranging from energy, logistics and mining to automotives, FMCG and agribusiness.

Only when I joined the Deloitte family in 2015 (via acquisition), did I realise the synergies that exist between economics, in-depth market and sector research, and the M&A and deal-making community. I have since been privileged to be a part of and contribute to this community in an array of ways.

Since joining the Deloitte Financial Advisory team last year, to lead Economic Advisory for Southern Africa, even greater synergies between my team's work and that of teams in corporate finance, private equity and M&A have presented themselves. We can partner with clients throughout the M&A lifecycle, bringing sophisticated economic, regulatory and commercial insights to support transactions in the public and private sectors.

Q What, in your opinion, is the hardest part of a transaction?

A The transactions that I have been exposed to have often included investors outside of Africa, mostly from the East. Consequently, some of the biggest challenges have related to culture. This can range from differences in language, general business and corporate

culture, to the need for cultural awareness, openness and integration. Cultural differences can result in misunderstandings and even conflict, affect negotiations, integration processes, and overall business operations, as well as attracting and retaining talent.

Another key challenge in the African context is a lack of easily accessible data and granular information. Understanding local industries, trends, market prospects and target companies can be time intensive and requires deep research (and verification). This is further linked to the need for a good understanding of local contexts and nuances, including the political, legal, regulatory and policy landscape, which may be complex, uncertain and, at times, characterised by moving goal posts.

Q What is your favourite sector in which to do a deal and why?

A M&A transactions in sectors that have the potential to create jobs, improve productivity, empower marginalised groups, such as women, and that are aligned to the continent's economic transformation agenda will top my list. For so long, Africa has struggled to move up the value chain and industrialise. Deals that add value to help promote sustainable development, industrial activity, and that are labour-intensive, promote small business development, and/or are technology driven are high among my priorities. This includes sectors such as agribusiness, infrastructure, ICT, tourism, financial services, and manufacturing. Specifically, manufacturing is vital for lowering inequality and creating jobs, deepening value chains and encouraging growth in service-related sectors.

Q What is your outlook for M&A activity over the next 2-3 years?

A Although Africa's growth has been resilient in 2023, the continent has experienced economic headwinds, with high inflation, tight monetary policy, higher risk profiles, rising debt, currency depreciation, a cost-of-living crisis, geopolitical tensions, political instability, lower investment and, ultimately, slower GDP growth, contributing to subdued investor sentiment.

That said, there are a number of medium to longer-term trends shaping opportunities for the continent. These include economic and policy reforms, as well as policies, incentives and infrastructure development to attract FDI. Economies that focus on structural and pro-business reforms, greater private participation, and creating an enabling environment for business are likely to build investor confidence, increase investment, and see more M&A activity.

Similarly, the implementation of the African Continental Free Trade Area (AfCFTA) agreement, which covers a market of over 1,3 billion people, has the potential to raise Africa's low productivity, promote investment, and boost intra-Africa trade by creating regional value and supply chains – potentially capitalising on shifting global trade patterns. This is likely to foster cross-border M&A activity and encourage deal flows via larger and more integrated markets, lower trade barriers and encourage harmonisation of regulations, as well as greater investment protection.

Furthermore, Africa's demographic outlook remains favourable, with the continent's population expected to increase to 2,1 billion people by 2040, remaining the fastest-growing and youngest in the world. One in two people added to the world population up to 2040 will be African. Urbanisation and an increase in the working age population to over 1 billion in the mid-2030s – forecast at that time to overtake India's working age population – creates various opportunities for investment and transactions in sectors related to the needs of a growing consumer base.

Last, but not least, Africa already experiences some of the worst effects of climate change. However, its renewable resource and critical mineral endowments, against a backdrop of increased climate action globally, could support the continent's own diversification and industrialisation ambitions. As the world embarks on a fundamental change to how we produce, consume and move about, there are investment opportunities across the clean energy industry that will have positive spillover effects for Africa's growth, employment creation and sustainable development. 🌱