

Renaissance Group Sees Big Future in African Expansion

By [The Moscow Times](#)

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LAGOS, Nigeria — Renaissance Group, an emerging-markets group of investment companies, plans to make more investments in Africa as the value of its assets in the world's poorest continent climbs to more than \$1 billion, chief executive Stephen Jennings said.

"We'll invest several more billions in the coming years," he said in a telephone interview from Lagos, Nigeria's commercial capital, where Renaissance organized an Africa investment conference. "The continent will deliver the fastest growth in the world, faster than Asia has ever done."

The International Monetary Fund estimates that sub-Saharan Africa's economy will expand 5.5 percent this year and 5.9 percent in 2012, and that seven of the world's 10 fastest-growing economies in the next five years will be in the region.

By 2015, 221 million African consumers will advance from destitution to basic-needs status,

making from \$1,000 to \$5,000 a year, according to a McKinsey analysis of data from IHS Global Insight, a subsidiary of Englewood, Colorado-based data provider IHS Inc.

"We responded to the facts at a time a lot of people were blinded by history and prejudice," Jennings said of his group's decision to start operations in Africa in 2006. "At the time we came, the fiscal situation had improved across the continent."

Renaissance is extending its investments in the continent to several areas, including real estate and infrastructure projects, said Clifford Sacks, chief executive for Africa. These will include "urban renewal" projects similar to Tatu City, a \$5 billion residential complex near Kenya's capital, Nairobi, that was funded by the investment group and houses 62,000 people.

"The reason we are doing this is that not many banks can do it," Sacks said. "It's a long-term, capital-intensive business."

Renaissance has six operational offices and more than 120 people in Africa.

The quality of African assets is increasingly attracting investors from Asia, Sacks said. Renaissance recently advised an Asian investor to put \$750 million in a formerly state-owned steel mill in Zimbabwe.

Asian investors are "comfortable with the African risk, which is becoming better understood," he said.

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