

## Essay synopsis: Jason Muyumba

In the past, South Africa was considered an investment gateway to the continent, writes Jason Muyumba, but recently the country has experienced a series of challenges, most notably burgeoning unemployment and economic stagnation.

Nonetheless, the local market presents compelling reasons for foreign direct investment (FDI), Jason says, and cites the country's good infrastructure, including the road and rail networks, and airports and ports; its strong financial institutions within a sound overarching financial market including some of the best and safest banks in the world; and its regional, continental and global trade networks and agreements which provide access to some of the world's largest emerging markets as well as direct networks to a number of the fastest-growing market economies in sub-Saharan Africa.

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Jason concludes that while there are only moderate growth prospects forecast for the country, there is significant opportunity for an influx of FDI in stimulating production and employment, and thus driving growth. He notes that despite the emergence of new FDI hotspots across the continent, South Africa's investment ecosystem remains holistically attractive. However, government needs to align its investment objectives with aggressive, investor-friendly measures such as improving the convenience of doing business, and governance and transparency perceptions.

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