Financing Africa's future - Who is taking the lead in lending?

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On 5th July 2018, Hogan Lovells hosted its 5th annual Africa Forum themed "Africa Fit for the Future". One of the key sector sessions was led by Shalini Bhuchar, an asset finance partner, who chaired a panel of leading industry experts in African banking and finance. The panel included Denys Denya, EVP of African Export-Import Bank; Adesuwa Okunbo, Partner and Managing Director of Syntaxis Capital Africa; Edward Marlow, Managing Director at Credit Suisse; Jean Craven, CEO of Barak Fund Management and the Forum's keynote speaker, Mrs Ibukun Awosika, Chairwoman of First Bank Nigeria.

This panel represented views from across the banking and finance mix, which, as an industry, is critical for stimulating economic growth, especially in Africa. So when challenged with the task of deciding 'Who is Taking the Lead in Lending?' there was sure to be some healthy debate and discussions on the subject. This report takes a look at the key discussion points from this panel, coupled with our own assessment of the sector, highlighting some key areas to watch and future prospects for the continent.

With billions being pumped into infrastructure, energy, commodities and technology, what industries are being underserved and why? To plug the liquidity gap, the global debt market continues to see a shift from conventional bank lending to alternative forms of funding, ranging from debt funds to debt capital markets issuances – but is this trend sustainable in Africa? Development finance institutions ("DFIs") and multilaterals have historically held a solid lending track record across the continent – but to what future impact? Are commercial banks being squeezed out as a result or is this a misnomer? Our panel provided their experienced views on the key trends in the African debt markets and offered invaluable insight into the future of funding.

The panel discussed alternative lending in the corporate lending context and adopted a wide interpretation, to include: non-banking lending to, for example small and medium sized enterprises ("SMEs"), to a multi-partner approach on larger financings for corporates and to the use of the debt capital markets for both sovereigns and corporates.

To read the full report please **click here.**

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