

South African business schools must take advantage of growth in trade and investment in Africa

By [Dr Chante van Tonder](#), issued by [JNPR](#)

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For many decades, South Africa has positioned itself as a leading investment and trade destination for global multinationals looking to enter African markets or expand their operations across the continent.

Our country has not only maintained its status as a gateway into the fast-growing \$3.4tn African economy, but it has also become a highly sought-after location by multinationals looking to set up African headquarters from where they can plan and coordinate their expansion in search of new markets. As such, Amazon is the latest multinational that plans to set up shop in South Africa. The technology and e-commerce giant, which plans to build its African headquarters in Cape Town, announced recently that it will launch an online marketplace in South Africa in 2024.

More than 50% of multinationals operating in Africa are based in South Africa, lured to our shores by the high calibre of management talent, entrepreneurial culture, skilled workforce, mineral resources, world-class infrastructure, deep and liquid financial markets which enable companies to raise capital to finance their expansion programmes.

Given that South Africa is an attractive investment destination and one of the leading economies in Africa, it should not come as a surprise that it is a hub for management education with many of its business schools dominating the rankings of top business schools on the continent.



Dr Chante van Tonder, programme manager, executive education research and postgraduate studies unit head at IIE MSA

The attractiveness of South Africa as a hub for management education was also highlighted at this year's annual LeaderEx and MBA-Expo exhibitions held in Johannesburg, which were well attended by a strong contingent of elite North American and European business schools.

The presence of elite international business schools at our events means that South Africa is considered an important market in the global education marketplace capable of competing with the best in the world for students and academic talent.

With the economies of Europe, North America, and parts of industrialised Asia facing stagnation, along with ageing populations in those regions, international business schools may be forced to explore new opportunities in Africa, where there is a large pool of young people that are hungry for knowledge and education.

Africa is expected to outperform the rest of the world in economic growth over the next two years, with the continent's gross domestic product (GDP) projected to grow at an average of 4% in 2023 and 2024. This growth is expected to eclipse global growth, which is projected to average 2.7% this year and 3.2% in 2024, according to the African Development Bank's African Economic Outlook report.

The African economy is expected to be further buoyed by expansion in intra-African trade, which will attract inward investment into the continent. This growth in trade and investment is expected to drive up demand for c-suite executives and management education as global multinationals and African companies seek to recruit talent that can help them spread their tentacles into new territories.

The continent is in the process of implementing the African Continental Free Trade Area (AfCFTA) which covers 54 countries and 1.4 billion consumers. According to a study undertaken by the AfCFTA Secretariat and World Economic Forum (WEF), the AfCFTA could create a single market worth \$6.7tn in combined consumer and business spending by 2030.

This spending will be led by high-potential sectors such as automotive, agriculture and agro-processing, pharmaceuticals, and transport and logistics, which are all expected to see rapid growth in production and trade volumes due to the removal of trade tariffs under AfCFTA.

The continent is also expected to benefit from free trade arrangements related to the enlargement of the Brics bloc and the possible extension of the African Growth and Opportunity Act (AGOA) by the U.S. government for a further 10 years. The changing economic and business landscape on the continent will require African business schools to offer home-grown academic programmes that respond to economic and business environment in Africa.

“ This will give them a competitive edge over international business schools should they be tempted to enter the African market, which is ripe for strong growth. ”

In this regard, South Africa business schools are well positioned to take advantage of new growth opportunities, thanks to their world-class facilities, curriculums, and academics.

The IIE is offering the Master of Business Administration (MBA) degree at the IIE MSA campus in Ruimsig, which equips graduates with the ability to solve complex business problems in an innovative way, particularly in diverse industries such as commerce, civil engineering, construction, and telecommunications.

Given that South Africa has world-class business schools and is a leading destination for management education in Africa, it must continue investing in cutting-edge research and innovation that focuses on solving complex African business problems.

This will put South African business schools including the IIE MSA campus in a pole position to produce graduates that can assist companies operating in Africa to take advantage of the growing trade and investment in Africa.

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