

[3 graphs that explain why investing in Africa is good for UK firms](#)

By Her Majesty's Trade Commissioner for Africa, Emma Wade-Smith OBE

Africa's success matters to the UK. It's home to 8 of the 15 fastest growing economies in the world. And yet African countries receive less than 4% of foreign direct investment.

The type of quality investment that UK firms bring to Africa is vital to drive growth, create jobs and boost infrastructure. But investments overseas are often misunderstood.

Here are 3 ways UK investments overseas benefit British businesses:

1. Overseas investment increases the UK bank balance

In 2018, UK companies' net earnings from their investments abroad were roughly £94bn. These profits can be brought back to the UK to benefit shareholders and the wider public through taxation.

2. Businesses that invest abroad are more productive

Evidence shows that UK companies that invest overseas become more competitive and productive. They pick up new technologies and local business know-how, which are then brought back to the UK.

3. These ideas are tried and tested: successful traders tend to also be investors

In a study of more than two thousand decision makers in businesses with turnover of more than \$2m, roughly half both traded and invested, or were investigating opportunities.

Data from the Office of National Statistics shows UK direct investments in Africa amounted to more than £38bn in 2018. With huge growth predicted in so many African markets in sectors like technology, finance, renewables and agriculture, now is the time for UK businesses to seize these opportunities.

As we prepare for the UK-Africa Investment Summit on 20 January, we're encouraging UK businesses of all shapes and sizes to [#InvestInAfrica](#).