

Fashionably late

By Nick Schilperoort

7 Feb 2014

The most recent International Monetary Fund regional economic outlook for sub-Saharan Africa projects an accelerated GDP growth of 6% in 2014 from around 5% in 2013.

This increase has given rise to a band of super wealthy individuals, and according to research firm New World, African dollar billionaires are forecasted to double by 2030. The majority coming from emerging economies such as Nigeria, Angola, Ghana, Mozambique and Kenya.

This being said, the total number of Africans with at least US\$1million of investible assets climbed 9.9% to 140,000 in 2012, according to a report published in June 2013 by Cap Gemini & Royal Bank of Canada.

This 'supersized' increase in wealth accompanied by extravagant lifestyles has subsequently had a direct impact on luxury brands in Africa with Bain & Company forecasting an 11% growth in luxury goods sold on the continent.

Expanding footprint

In the past, luxury brands have been fairly concentrated on the continent, with the likes of South Africa and Morocco serving as market leaders however, a growing demand has seen luxury brands begin to expand their footprint into new markets across the continent.

London-based Euromonitor recently stated, "sub-Saharan Africa is set to become a key battleground for the luxury goods industry, with sales of luxury goods set to increase by a further 33% in the next five years."

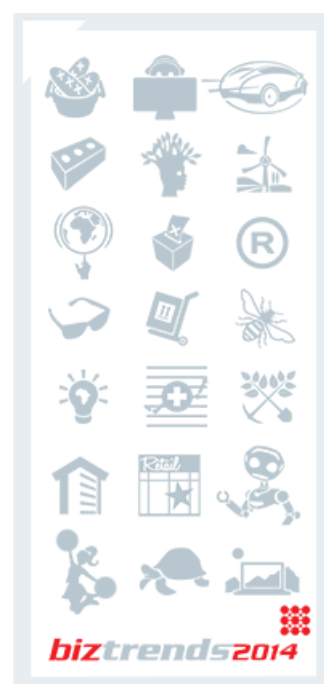
The need to show

This strong growth can attribute itself back to the primary need of any emerging luxury market and that is the need to *show* - whether it's a new Porsche dealership in Lagos selling more than 200 cars in just six months, Prada confirming plans to open in Luanda, or rumors that Louis Vuitton in Johannesburg is to expand.

It has taken some time, but 2014 will see African bling set to sing. The question to be asked is, which truly African luxury brands will step forward this year?

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ABOUT NICK SCHILPEROORT

Nick attended the University of Stellenbosch, graduating with an honours degree in commerce, majoring in financial and investment management. After three years he decided to join XFACTA where today he serves as a strategic planner/new business development manager/copywriter/runner/public relations manager/account manager, and currently as a director of the Brand Council of South Africa (@BrandCouncilSA). Follow @NicSkillly on Twitter.

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