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Riccardo Pelizzo

How do African millionaires spend their money?

As we noted in a previous post, Africa has 145000 High Net Worth Individuals whose assets are worth about 800 billion. Overall Africans' net worth is estimated in 2.2 trillion US dollars. The number of HNWI's has increased considerably in the past decade and is expected to grow nearly as much in the next decade.

Given the magnitude of Africa's wealth, how do rich Africans invest their money?

The AfrAsia's Africa Wealth 2017 report indicates that African millionaires like to invest in fine wines (Lafite Rothschild), in classic cars (Ferrari, Bugatti, McLaren, Porsche, Aston Martin, Lamborghini, Rolls Royce...), super-luxury watches (Patek Philippe, Vacheron Constantin), prime real estate and second home in foreign cities (London, New York, Paris, Dubai, Sydney, Melbourne).

African millionaires also spend like to spend in luxury goods. The AfrAsia's Africa Wealth Report 2017 indicated that in 2016 the luxury market grossed about 6 billion US dollars. Wealthy Africans spend in cars, clothing, expensive watches and travels.

African millionaires travel considerably to what could be regarded as Africa's top destinations for millionaires. The list of such destinations in South Africa includes Cape Town, the Garden Route, the Whale Coast, Umhlanga, Durban, Paarl, Franschoek, Stellenbosch and the Sabi Sands in the Kruger Park. Top destinations outside South Africa include Sharm El Sheikh in Egypt, the Masai Mara in Kenya, Livingstone in Zambia and the Okavango Swamps in Botswana.

Given the concentration of top destinations in South Africa, it is unsurprising that South Africa receives more millionaires than any other country in Africa. But the interesting thing is that many African countries, because of their tourism appeal, also manage to attract thousands of African millionaires on a yearly basis.

In fact while South Africa received about 15000 millionaires in 2016, Morocco received 5000, Kenya received about 4000 and Mauritius received 3000.

Given the number of millionaires in the continent and their inclination to travel and spend their holidays in the continent's top destinations, Africa offers a wide range of top rated hotels (12 Apostles Hotel and SPA in Cape Town, Four Season Seychelles in Seychelles,), of top safari lodges (Ngorongoro Crater Lodge in Tanzania, for example), and of top small hotels (North Island in Seychelles).

As Africa grows richer, tourism will grow accordingly and will in turn become one of the main drivers of growth, development and wealth in the continent.

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