



**Lioness Data**

# Lionesses Business Confidence Index

Measuring the business confidence of Africa's leading women entrepreneurs

Q1 2022



**NEW YORK UNIVERSITY**



# FOREWORD



Across the African continent, women entrepreneurs are pivoting and reinventing themselves to address the multiple ongoing crisis including the COVID-19 Pandemic and the Ukrainian food crisis. As part of the reinvention process, they have and are adapting to new working models including remote work, e-commerce and all types of digital technologies and tools to make them more efficient, visible, and competitive.

As African Women SMEs pivot in this new era, access to financial services is critical to help them grow and reach scale.

Even before the pandemic, women-led businesses faced significant challenges accessing financing, as they often lack the financial track record and collateral required to secure business loans; causing financial institutions to perceive them as being a risky segment. The African Development Bank, through its Affirmative Finance Action for Women in Africa

Initiative (AFAWA), is committed to accelerating women entrepreneurs' ability to access finance and the required knowledge to grow their businesses and create jobs. AFAWA aims to unlock up to \$5 billion by 2026, in collaboration with financial institutions and women entrepreneurs.

The Bank is also committed to working with African governments to ensure that inclusive policies are in place to enhance women entrepreneurs' ability to access financing and trade.

The second edition of the Lionesses Business Confidence Report and Index comes at a critical moment, allowing us to benchmark last year's data and evaluate African women-owned business performance, access to finance, and digital transformation. Furthermore, it allows us to learn how Africa's top women business leaders assess the state of their businesses compared to one year ago and what opportunities they see for themselves in the upcoming year.

The Bank, through the AFAWA Initiative, is pleased to collaborate with Lionesses of Africa on the latest Lionesses Business Confidence Report and Index. We hope women entrepreneurs, financial institutions, and governments use the rich data provided to make strong business and policy decisions to unlock the potential of women-owned businesses across the continent.

**Esther Dissanou**  
**Manager**  
**Affirmative Finance Action for Women in Africa (AFAWA) Initiative**  
**African Development Bank**

# INTRODUCTION TO THE LBCI

The Lionesses Business Confidence Index (LBCI) is a survey of Africa's leading women entrepreneurs to gauge their business confidence. LBCI leverages Lionesses of Africa's established 100 Lionesses network, a special project that identifies and celebrates 100 leading African businesswomen whose examples motivate and inspire other women to pursue and realize their dreams of founding and growing successful businesses. These highly experienced women entrepreneurs have built successful businesses at scale, across industry sectors, and represent the footprint of the Lionesses of Africa network across the continent. The LBCI provides a forward-looking view of the African economy from the perspective of these leading businesswomen, based on surveys of their confidence in the economic outlook of their national economies and their businesses, confidence in accessing financing, capital spending, hiring, and sales.

LBCI reports monitor the growth trajectory and business confidence of women-led businesses and anticipate turning points in economic activity across Africa, from a women-entrepreneurs perspective. Business confidence is key to growth for women entrepreneurs in Africa. The LBCI sheds light on the factors that stimulate that confidence and how it is shifting in the current (and post) COVID-19 business environment and monitors how business confidence is changing over time.



# ABOUT THE INDEX

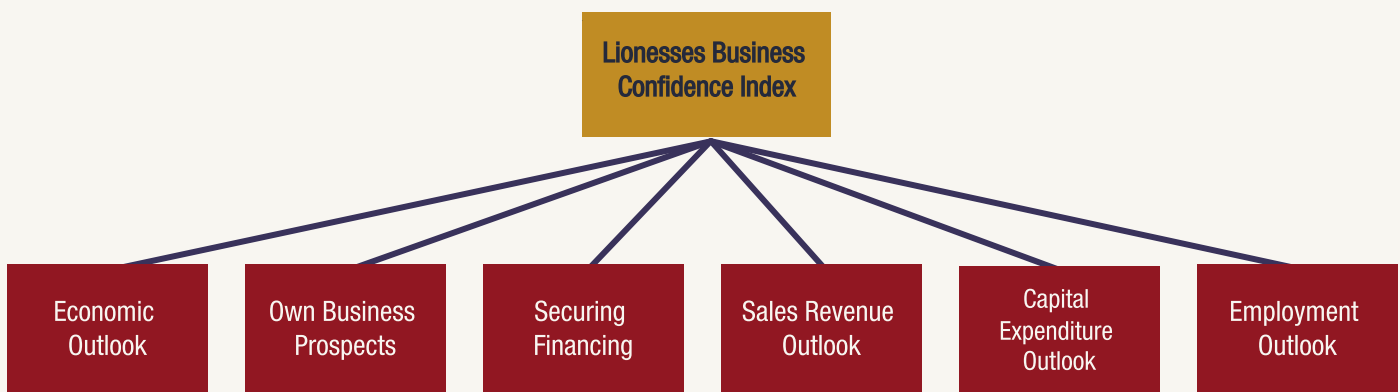
The Lionesses Business Confidence Index is based on a survey of women business leaders in a variety of industries across Africa. They are asked to reflect on their confidence in the overall state of their national economies as well as their own businesses over the next six months.

## The Six Components of the LBCI

- Confidence in their countries' economic outlook in the next six months
- Confidence in their own companies' business prospects in the next six months
- Confidence in their ability to secure financing in the next six months, if needed
- Expectations for their companies' sales revenues in the next six months
- Expectations for their companies' capital expenditures in the next six months
- Expectations for their companies' employment in the next six months

A sub-index is reported for each component. To calculate sub-indices, values are assigned to response options, ranging from 0 (for extreme negative outlook) to 100 (for extreme positive outlook). The sub-index value is the average of these numerical assignments. The LBCI is derived as a composite index, which assigns equal weight to each sub-index. An index value close to 0 would indicate an extremely negative outlook; values close to 25, a moderately negative outlook; 50, a neutral outlook; 75, a moderately positive outlook; and close to 100, an extremely positive outlook.

The LBCI surveys also incorporate additional questions as necessary to reflect events with major business and economic consequences, such as COVID-19 business impact.

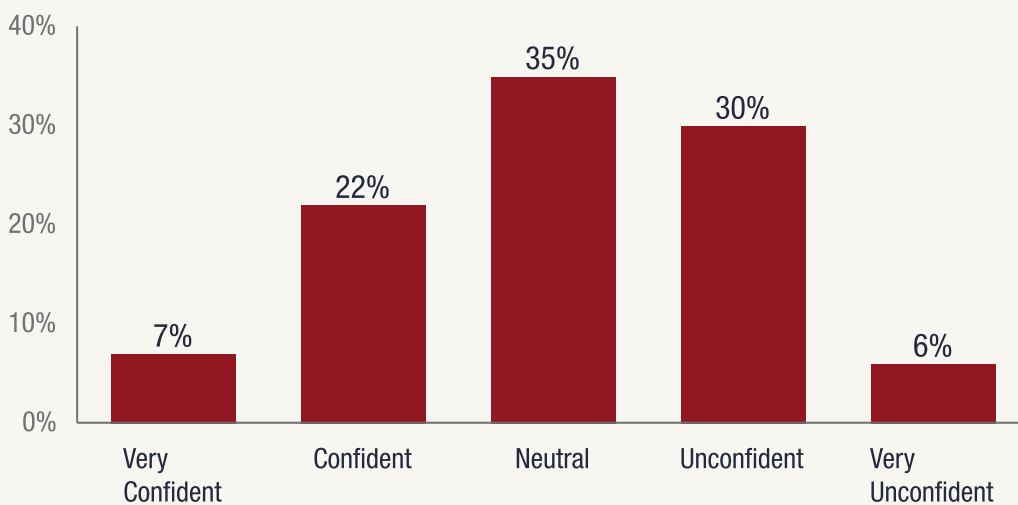


# 1. ECONOMIC OUTLOOK

The 100 Lionesses reported a mixed level of confidence in their countries' economy. When asked about their confidence in their countries' economic outlook in the next six months, 29% were optimistic (7% reported being "very confident" and 22% reported being "confident"), just over a third were neutral (35%), and 36% were pessimistic (30% reported being "unconfident" and 6% reported being "very unconfident").

The sub-index score for the six-month economic outlook is 48.5, a value close to neutral. This suggests the 100 Lionesses are neither bullish nor bearish on their national economies. The 2022 sub-index is down from its value of 53.5 in 2021, suggesting the 100 Lionesses are slightly more pessimistic this year, compared with 2021.

## How Confident Do You Feel in Your Country's Economic Outlook in the Next Six Months?



The economic outlook sub-index varies by region.<sup>1</sup> Lionesses in Southern Africa and East Africa had a more optimistic outlook for their national economies, compared with Lionesses in the other regions. Lionesses in Central Africa were the most pessimistic.



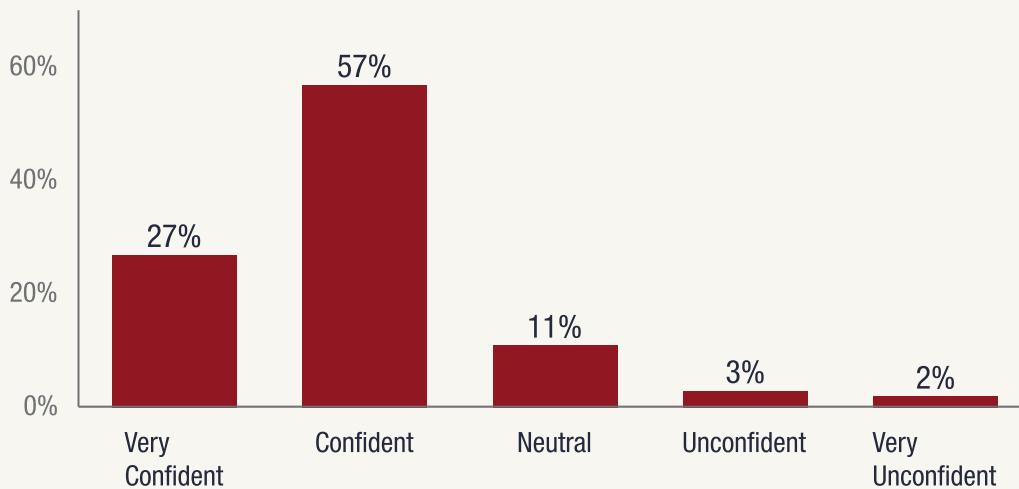
<sup>1</sup>The LCBI covers all regions in Africa—North Africa, West Africa, East Africa, Central Africa and Southern Africa—as categorized by the African Development Bank Group. See <https://www.afdb.org/en/countries>.

## 2. OWN BUSINESS PROSPECTS

The 100 Lionesses remain confident in their own business prospects. When asked about their confidence in their own companies' business prospects in the next six months, 84% reported confidence looking ahead (57% reported being "confident" and 27% "very confident"), 11% were neutral, and only 5% were pessimistic (3% reported being "unconfident" and 2% "very unconfident").

The sub-index score for the respondents' confidence in their own companies' business prospects in the next six months is 75.7 (similar to the 2021 sub-index of 75.4). This suggests that the 100 Lionesses are bullish.

### How Confident Do You Feel in Your Own Company's Business Prospects in the Next Six Months?



The own business prospects sub-index showed modest confidence that business prospects will improve over the next six months across the continent. Lionesses in Southern Africa and East Africa had the most optimistic outlooks.

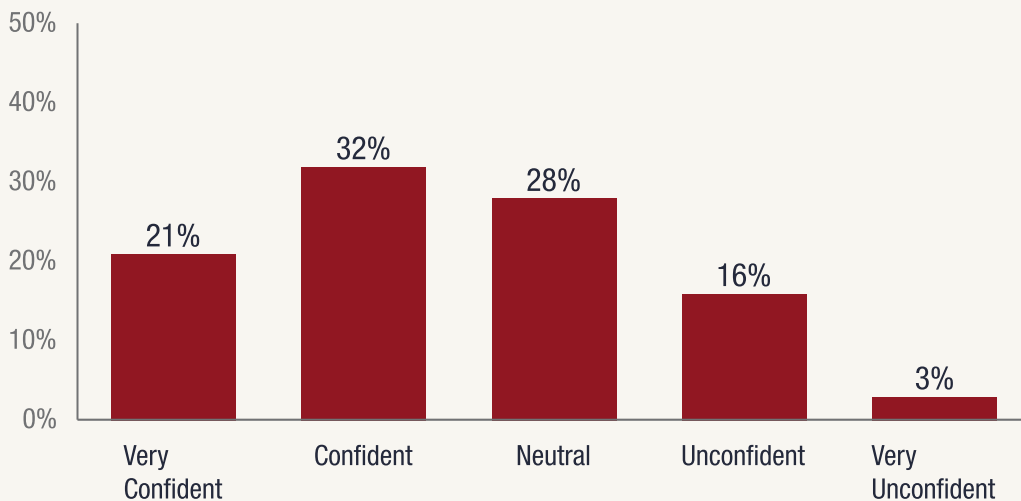


# 3. SECURING FINANCING

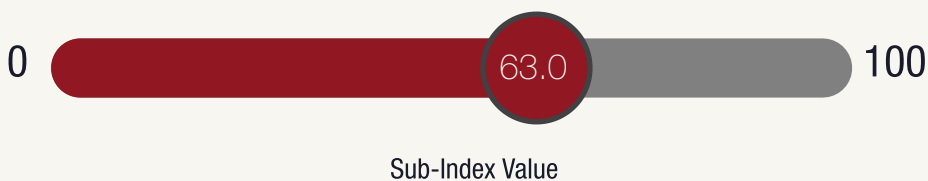
The 100 Lionesses are moderately confident in their ability to secure financing. When asked about their confidence in their companies' ability to get financing in the next six months, if needed, just over a half reported confidence (32% reported being "confident" and 21% "very confident"), 28% were neutral, and only 19% were pessimistic (16% reported being "unconfident" and 3% "very unconfident").

The sub-index score for the respondents' confidence in their ability to secure financing in the next six months is 63.0 (a slight decrease from 64.6 in 2021). This sub-index indicates that the 100 Lionesses are more bullish than bearish, but implies only a modest level of confidence.

**If Your Company Needs Financing in the Next Six Months, How Confident Are You That You Will Be Able to Get It?**



Modest confidence in securing financing was reported across regions, but Lionesses in North Africa reported greater confidence than their counterparts in other regions.

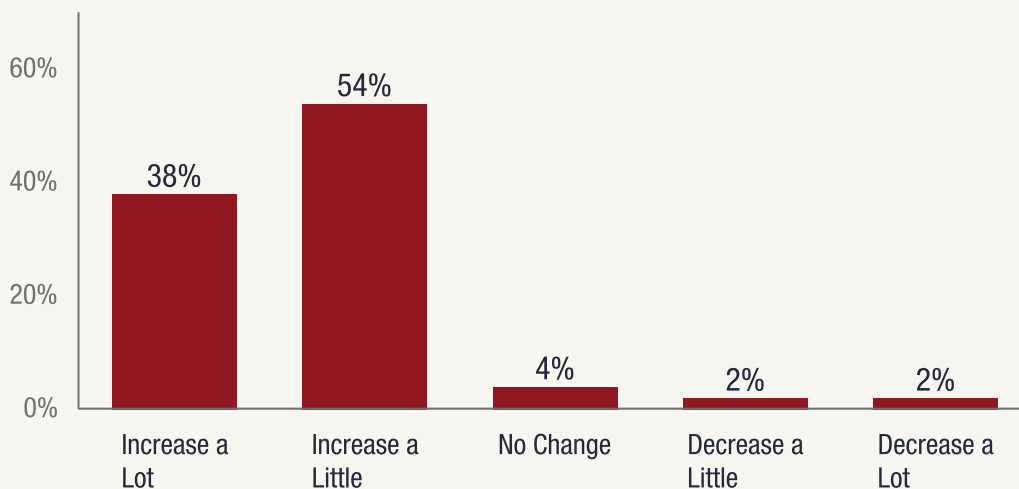


## 4. SALES REVENUE OUTLOOK

The 100 Lionesses are forecasting improvements in sales revenues. When asked about their sales-revenue expectations in the next six months, 92% reported an expected increase (54% expecting sales revenues to “increase a little” and 38% expecting “a lot”), 4% “no change,” and only 4% anticipated a decrease (2% reported they expect sales revenues to “decrease a little” and 2% “a lot”).

The sub-index score for the respondents’ expectations for their companies’ sales revenues in the next six months is 81.1 (similar to the Q2 2021 sub-index score of 80.2). As this sub-index is above 75, it suggests that the 100 Lionesses are bullish.

### How Do You Expect Your Company’s Sales Revenue to Change in the Next Six Months, Compared With the Previous Six Months?



This optimism extended across the continent. Lionesses in North Africa reported less optimism in their sales-revenue projections than did Lionesses in other regions.



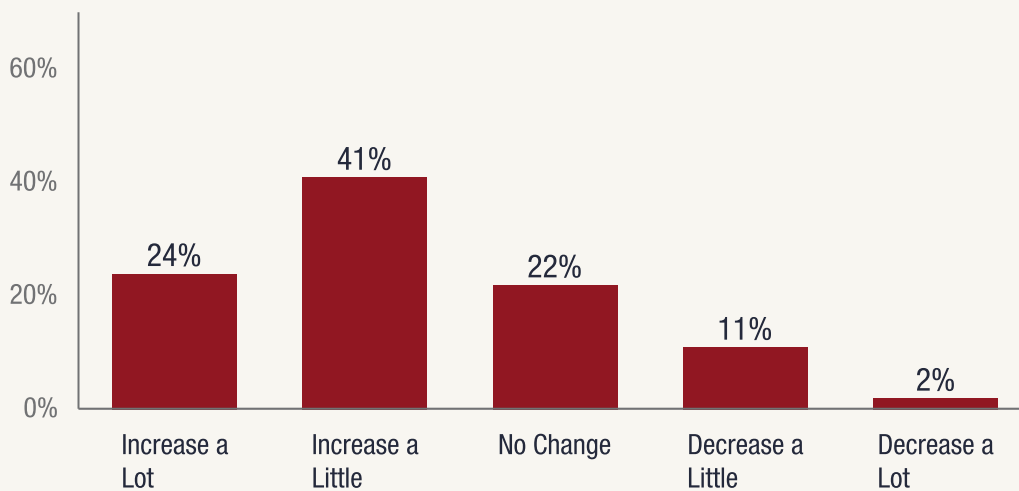


# 5. CAPITAL EXPENDITURE OUTLOOK

The 100 Lionesses are forecasting increases in capital expenditures. When asked about their capital-expenditure expectations in the next six months, 65% expected an increase (41% expected capital expenditures to “increase a little” and 24% “a lot”), 22% expected “no change,” and 13% expected a decrease (11% reported they expect capital expenditures to “decrease a little” and 2% “a lot”).

The sub-index score for the respondents’ expectations for their companies’ capital expenditures in the next six months is 67.0 (slightly down from the score of 71.3 reported in Q2 2021). The sub-index suggests that the 100 Lionesses are more bullish than bearish, but they anticipate only a modest increase in capital expenditures.

**How Do You Expect Your Company’s Capital Expenditures to Change in the Next Six Months, Compared With the Previous Six Months?**



Lionesses in all regions anticipate modest increases in capital expenditures over the next six months. With a regional sub-index of 59.7, Lionesses in West Africa had the most muted expectations for capital expenditures.

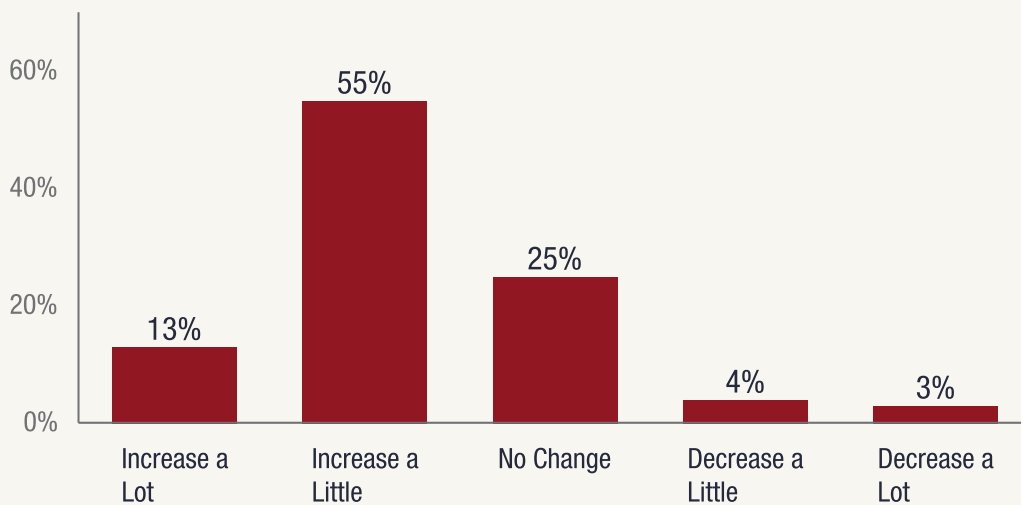


## 6. EMPLOYMENT OUTLOOK

The 100 Lionesses are forecasting increased hiring. When asked how they expect their companies' employment to change in the next six months, 68% reported they expect hiring to increase (55% expected hiring to "increase a little" and 13% "a lot"), 25% expected "no change," and only 7% expected a decrease (4% reported they expect hiring to "decrease a little" and 3% "a lot").

The sub-index score for the respondents' expectations for their companies' employment in the next six months is 67.7 (similar to the Q2 2021 sub-index of 69.5). This sub-index suggests that the 100 Lionesses are more bullish than bearish, but they anticipate only modest staffing increases.

### How Do You Expect Your Company's Employment to Change in the Next Six Months, Compared With the Previous Six Months?

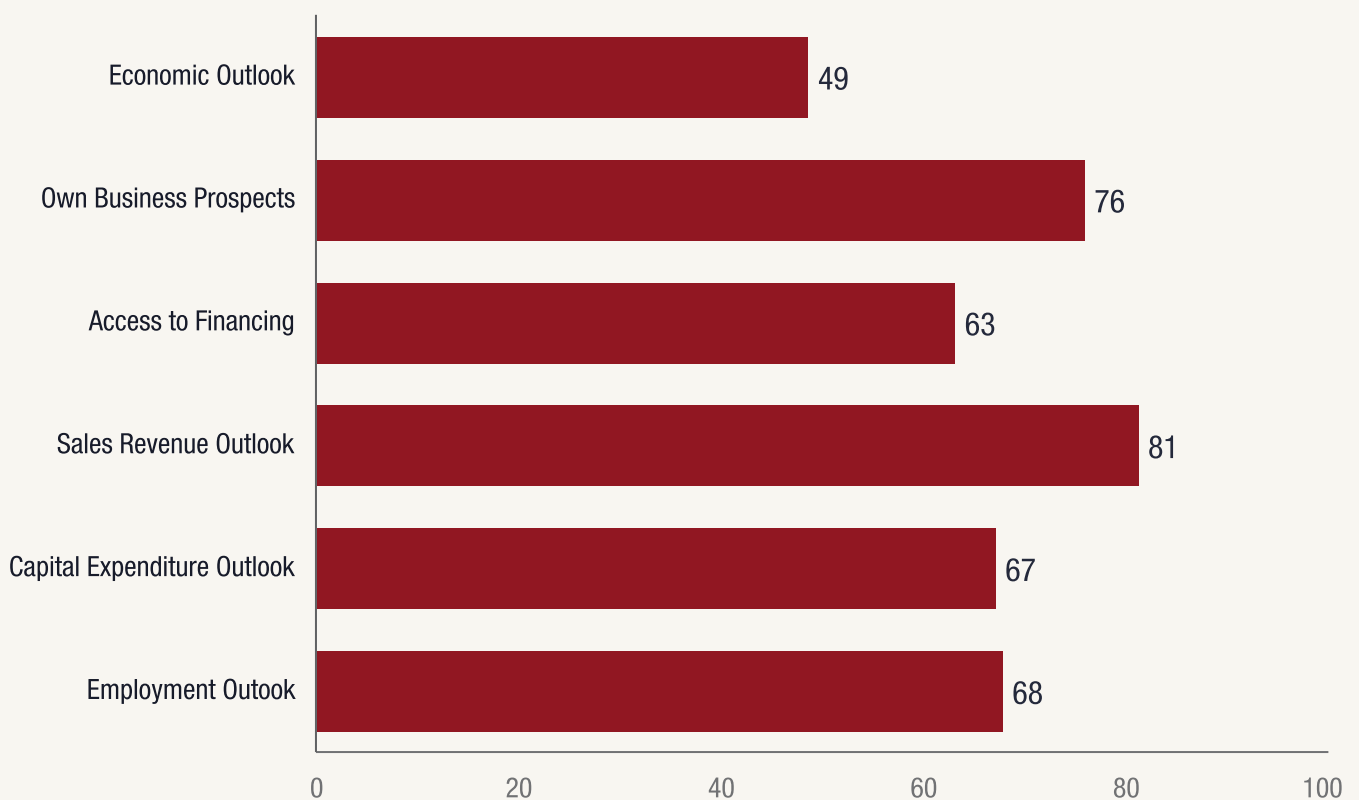


Lionesses in Central Africa had the most optimistic hiring expectations.



# THE LBCI

A look across the sub-indices provides insights into the factors driving business confidence among leading businesswomen in Africa. Lionesses are the most confident in a strong sales-revenue outlook and their own business prospects for the next six months and are more muted in their expectations of their national economies and their ability to secure financing. Sub-index values were similar in 2022 compared with 2021. The largest difference was in capital-expenditure outlook, which is more muted in 2022.



The overall LBCI score, an equally weighted aggregation across the sub-indices, is 67.2 (slightly down from 69.1 reported in 2021). This suggests that Lionesses are more bullish than bearish about the upcoming six months. Overall LBCI business confidence was similar across regions.



Overall Lionesses Business Confidence Index

# CONCLUSION

This is the second in the Lionesses Business Confidence Index series. Similar to the responses underlying the first index, the data underlying this index were collected while countries continued to manage their COVID-19 responses, and many businesses were still adjusting to the disruptions resulting from the pandemic. The overall index value of 67.2 indicates that Africa's leading businesswomen have modest business confidence for the six months ahead. The index value is slightly lower than the overall business-confidence index reported in Q2 of 2021. Subsequent indices will allow for continued monitoring of business confidence and the factors that contribute to or detract from it, among Africa's leading women entrepreneurs during and after COVID-19.



# ABOUT THE COLLABORATORS

## New York University

The Marron Institute of Urban Management at New York University is a provostial institute that operates as a think-do tank. The Institute's mandate is impact. It invests in faculty and practice scholars who conduct on-the-ground research and programming, working alongside practitioners and the publics they serve to gain insights and test new approaches with the potential to dramatically improve the quality of life in cities across the globe. The Institute brings a multidisciplinary approach, with expertise in the natural and social sciences, engineering, and governance. Through innovation, experimentation, and data analysis, the Institute promotes responsive decision-making in all sectors. The Institute addresses critical challenges in development and public services across six continents.

For further information about the Marron Institute, visit [www.marroninstitute.nyu.edu](http://www.marroninstitute.nyu.edu)



## Lionesses of Africa

Lioness Data is the research and insights unit of Lionesses of Africa Public Benefit Corporation, a social enterprise advancing Africa's women entrepreneurs. Lioness Data taps into a growing network of over 1.5 million women entrepreneurs across Africa for actionable insights that help investors, policymakers, and development agencies make faster and better data-driven decisions. Lionesses of Africa builds and delivers development programmes, business tools, community platforms, digital media, networking events and information resources that women entrepreneurs need—connecting them with key global markets for growth. Lionesses of Africa's community stretches across 54 African countries and thousands of users in the Diaspora in Europe and North America.

For further information about Lionesses of Africa, visit [www.lionessesofafrica.com](http://www.lionessesofafrica.com)



## African Development Bank

African Development Bank's AFAWA Programme is a pan-African initiative to bridge the \$42 billion financing gap facing women in Africa. AFAWA finance leverages the Bank's financial instruments to transform Africa's banking and financial landscape, creating incentives for lending to women in business. AFAWA technical assistance provides advisory services to financial institutions to ensure successful implementation of their product portfolios for women and strengthens the capacity of women entrepreneurs through training to enhance business productivity and growth. AFAWA's enabling environment engages with African governments and stakeholders to support legal, policy and regulatory reforms and strike down the structural barriers impeding women in business.

For further information about African Development Bank visit [www.afdb.org/en](http://www.afdb.org/en)

