


Building a Better Connected Africa

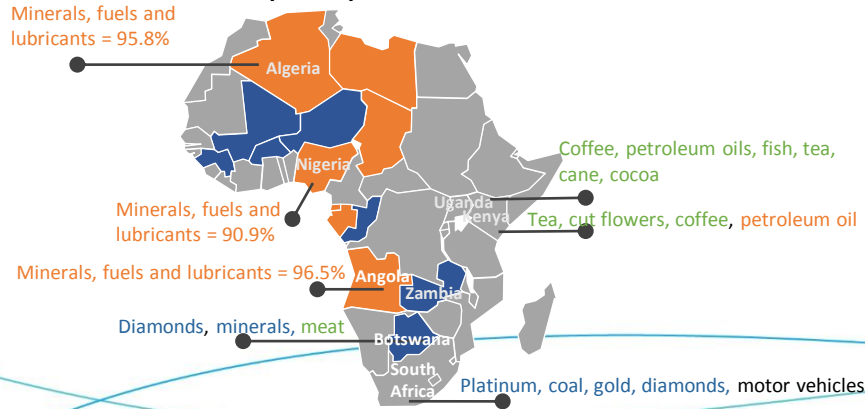
How an ICT-enabled Digital Economy can enhance National Competitiveness

Sharoda Rapeti, Ex-director of Technology Media and Telecommunications, Deloitte

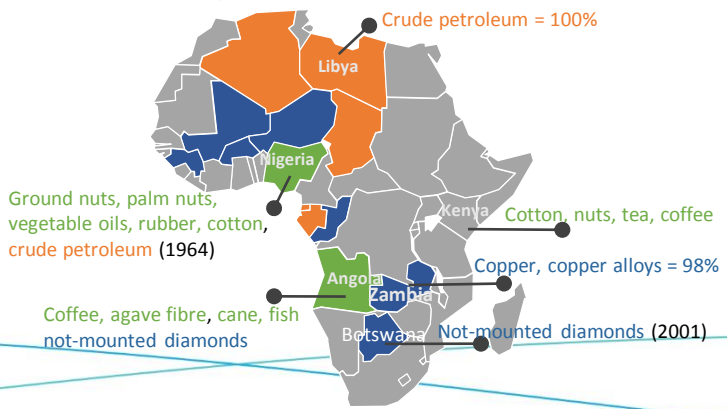


Africa: Profile of Export Economy

Top 10 exports 2014- 2016

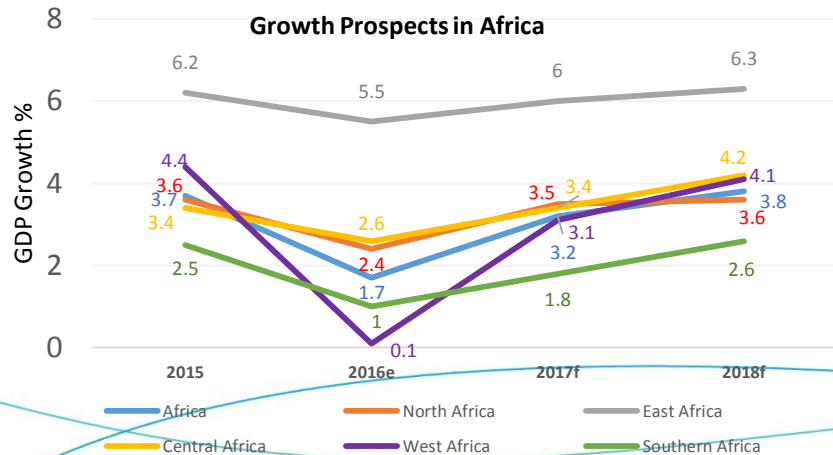


Export Profile 1968



■ Metal & minerals exports ≥ 50%
 ■ Petroleum, oil exports ≥ 50%
 ■ Agricultural Products

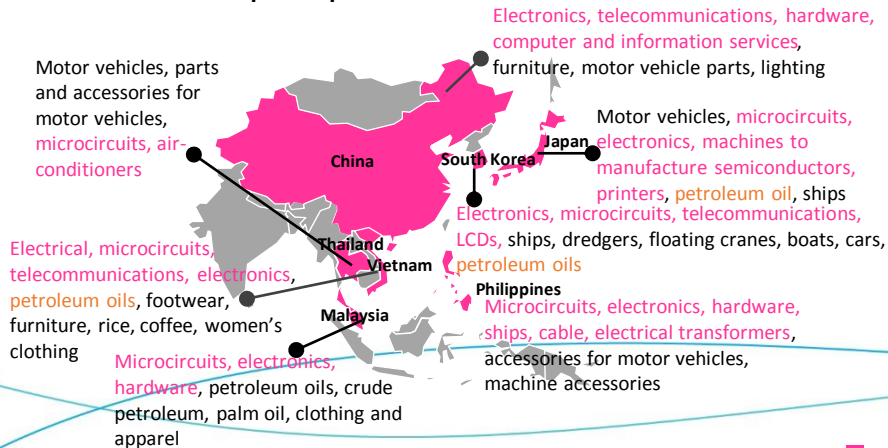
Forecast GDP growth 2017 - 2018



- Highest levels of productivity in Sub-Saharan Africa measured in the 1970's
- Multi-speed economies in East, West and Southern regions of Africa needs to find suction in stronger regional policy growth objectives
- Africa's share in global manufacturing exports < 1%
- Informal economy still dominant in most African cities (61% of men and 74% of women are informally employed in non-agricultural sectors)

South East Asia: Profile of Export Economy

Top 10 exports 2014- 2016



Export Profile 1964 - 1968



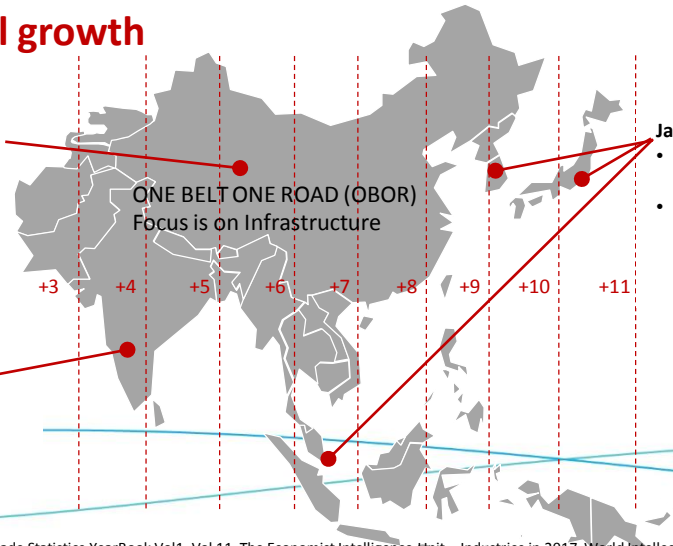
SE Asia: A story of regional growth

China

- top global exporter of computer and information services
- 18.7% increase in Patents registration (2014-2015)
- Trademarks registration 27.4% growth compared to compared to US 9.6% (2014-2015)

India

top global exporter of computer and information services



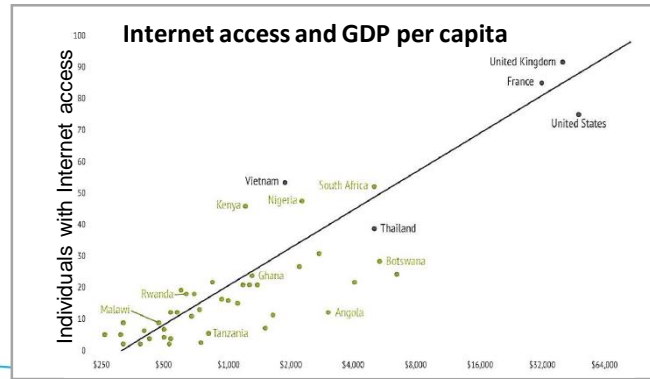
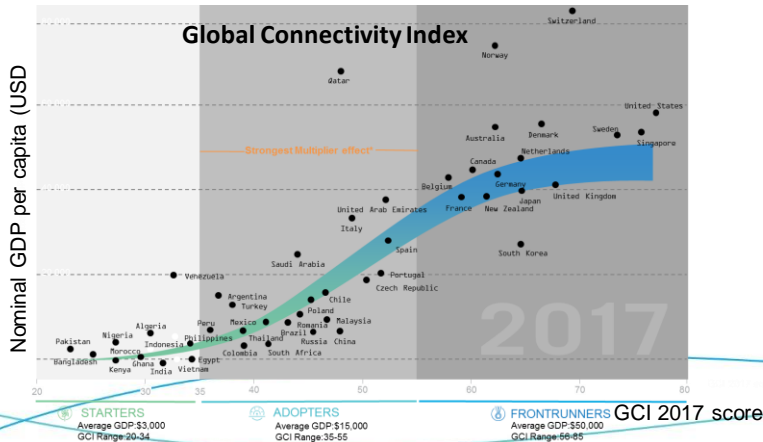
Japan, Singapore, South Korea

- top global exporter of royalties and licence fees
- South Korea – 73.1% share of international patent applications with women inventors by field of technology and origin (2011 – 2015), ranking 3rd globally

Patent applications by region 2015:

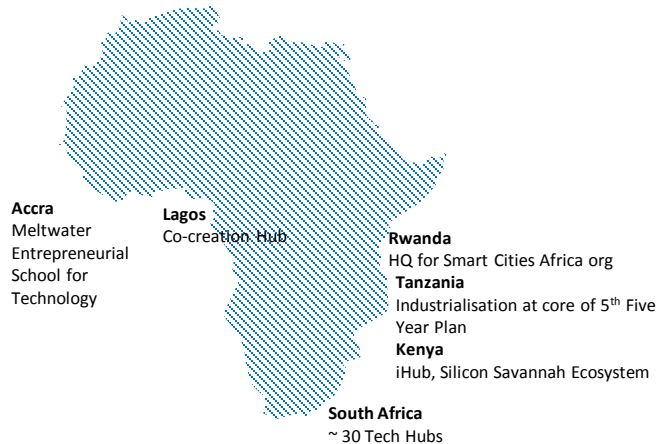
Africa 0.5%
Asia 61.9%

Congruence between connectivity and GDP growth



Drivers of Digital Economy growth in Africa

- Increased rate of Industrialisation including Industry 4.0 solutions
- Growth in Services based industry sector to create higher productivity jobs and accelerate income growth
- Urbanisation is forecast to increase at 3.65% annually - the total number of people living in African cities is projected to increase to 760 million by 2030
- Growth of secondary towns
- Implementation of progress against Sustainable Development Goals (SDGs) and Agenda 2063
- Youth will demand access to skills and integrated economy
- Incubators, Innovation Hubs and Start-ups in Africa need to create unicorns
- At least USD 9Bn per annum should be invested into ICT infrastructure in Africa



SDGs: Digital Inclusion and Rural Connectivity

Employment by sector



% employed

Sources: Foresight Africa 2017 – Top priorities for the Continent in 2017, Africa Growth Initiative, 2017 Africa Sustainable Development Report - Economic Commission for Africa, www.samasource.org, <https://www.youtube.com>



FOOD SECURITY

- 94% of agricultural crops in Africa is rain dependant.
- This could decrease by 50% by 2020

Case Study One



BPOs in Rural Areas

- Cost of living in Luanda, Kinshasa and N'Djamena more expensive that New York, yet do not match New York's productive advantage
- Cost of Living in Lagos is more expensive than Seoul
- Cost of Living in Victoria more expensive than London



Case Study Two

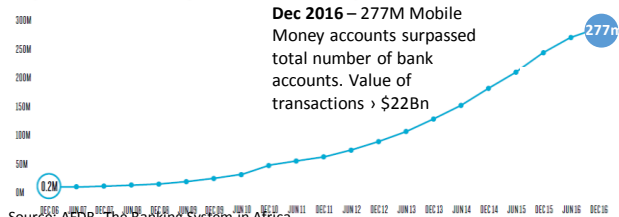
TaoBao Villages

- Alibaba has been working with Government to create financial inclusion in the rural villages
- TaoBao villagers leverage ecommerce platforms to sell their produce
- ecommerce value in the village is ~ \$1.6m annually
- ~ 280 000 jobs created, with goal of creating 100 000 TaoBao centres by 2019



Mobile Money driving inclusive growth in Sub-Sahara Africa

Growth of registered mobile money accounts in Sub-Sahara Africa



Source: AFDB, The Banking System in Africa

MPESA recognised by MIT for enabling 2% of households to break out of extreme poverty due to financial inclusion

Mobile Money contributes to the 17 UN SDGs. Financial inclusion is a core enabler of 11 SDGs

~77% of the Kenyan population are within five kilometres of an MPESA touch point

Case Study

- World's 4th largest start-up, ahead of Airbnb and Elon Musk's Space X
- Valued at \$30Bn
- 280m annual active users, 5m merchants.
- Investors include Canada Pension Plan Investment Board, Singaporean sovereign wealth fund GIC and Tencent and US based Priceline Group
- China's Online to Offline (O2O) market grew 72% last year \$115Bn

“We will adhere to the mission of helping people ‘eat better, live better’, undertake more social responsibilities, create more employment, and build a more open and cooperative social enterprise that coordinates the development of the society”

Wang Xing, CEO of Meituan-Dianping

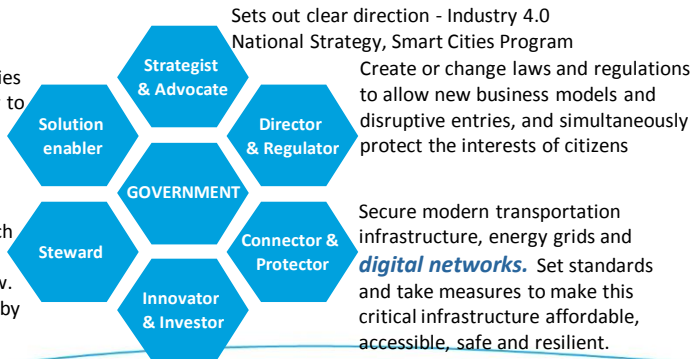


Telecommunications and ICT infrastructure as a Disruptor

The role of Government

Build ecosystems by gathering parties that normally do not work together to deliver creative new solutions that neither of the parties could have realised on its own – synthesise synergies!

Create an environment in which new businesses and smart solutions can emerge and grow. e.g. providing 'open data' and by facilitating start-ups.



Apply the principles of innovation in the internal organisation and processes. Stimulate innovative solutions by acting as a launching customer. Drive PPP solutions.

Key considerations

- 01** Enhance the role of government as an **Investor and Innovator**
- 02** Time to revisit PPP models – leverage private capital for growth in order to close the investment gap
- 03** Telecommunications and ICT infrastructure is at the epicentre of transformation to drive inclusive growth. Parallel investment in agriculture, energy, education and transportation is required.
- 04** African Governments still need to focus on broader economic policies, offer flexible regulations and attractive tax incentives
- 05** IMPLEMENTATION effort to be bolstered



Thank You.