

EMPOWERING YOU TO RESET THE NEW NORMAL
IN BUSINESS AND OPERATE IN EMERGING
ECONOMIES...FREE TRADE AFRICA BECKONS

\$ 3.4 TRILLION
1.2 BILLION PEOPLE
7 /10 FASTEST GROWING
ECONOMIES

AGENDA STYLE

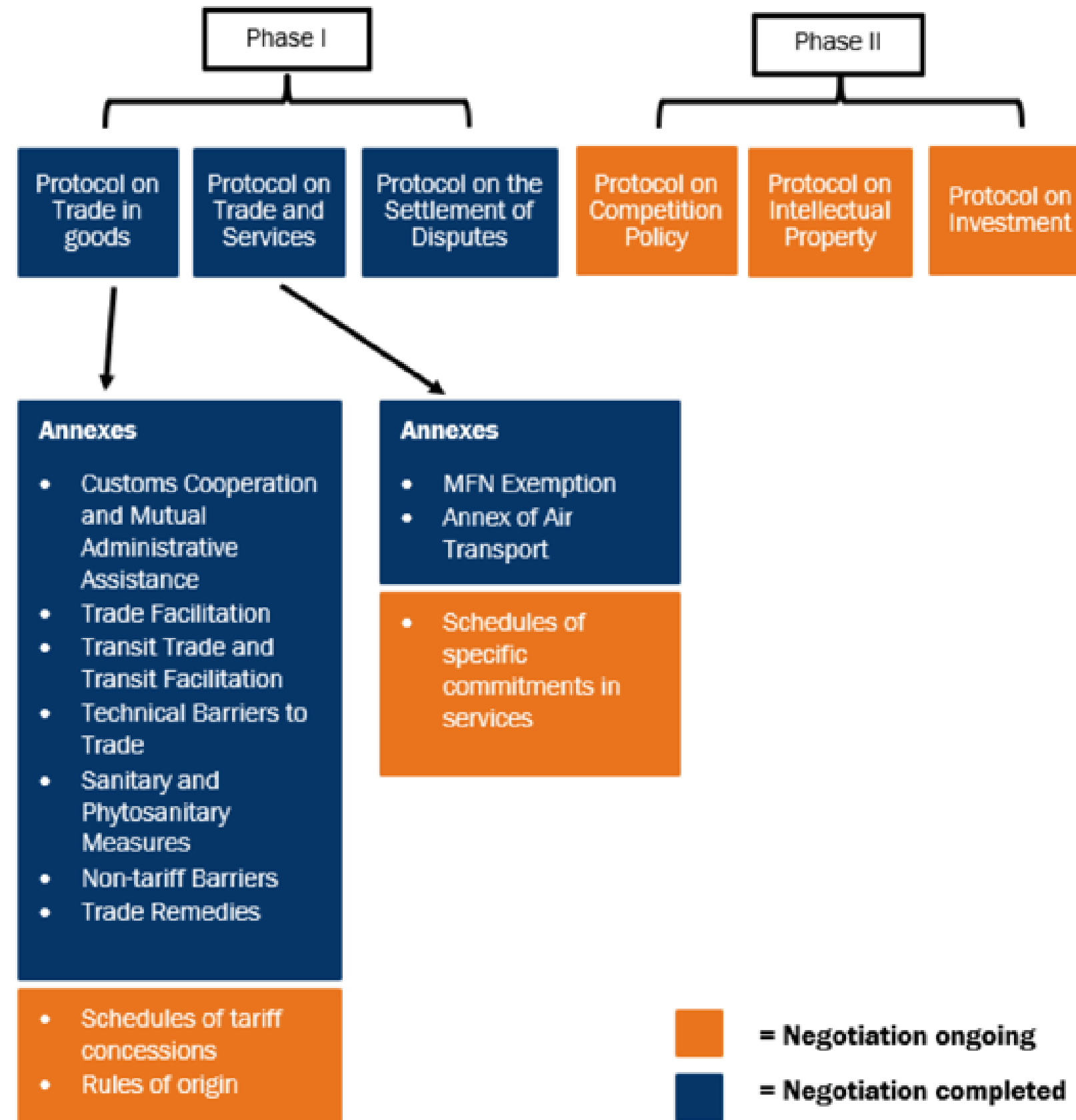
- 01** Rebuild an advantaged economy with the prompt of avoiding the pitfalls of the old economy .
Unlocking opportunities in Africa Continental Free Trade Area (AfCFTA)
- 02** Realize the previously blue ocean markets within the red ocean markets .
- 03** Unearth untapped potential markets that were previously overlooked or dismissed.
- 04** Sustain our country's economy by engaging active citizenry of its individuals.
- 05** Create new business trajectories within existing corporate structures.

BENEFITS OF THE AFCFTA TO AFRICA

The importance of this agreement cannot be underestimated, this will form the world's largest free trade area since the formation of the World Trade Organization (WTO). What does this mean to Africa if it is successfully implemented?

AFCFTA ANALYSIS

Agreement Establishing the AfCFTA

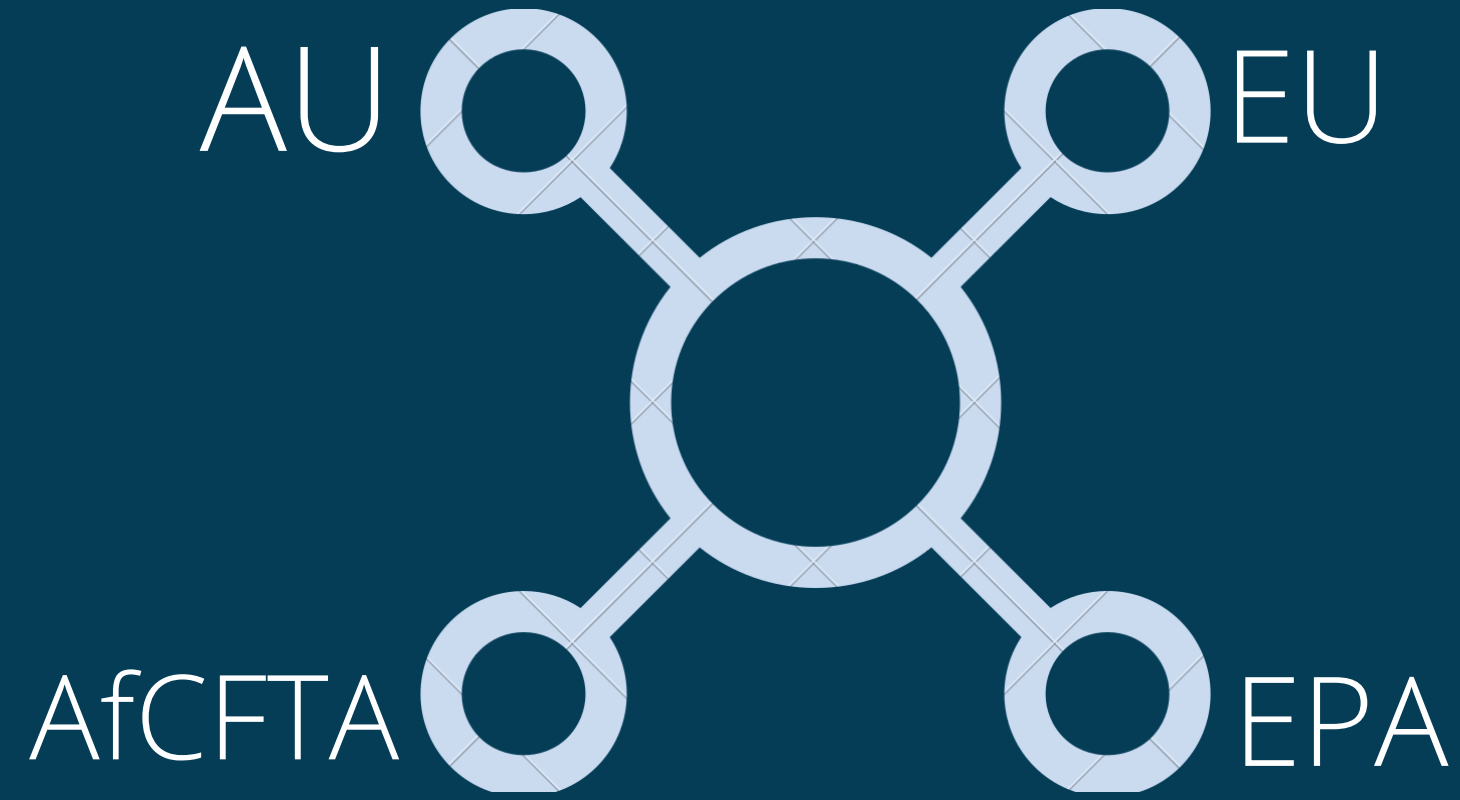


THE OPPORTUNITY |



1.2 Billion Consumers
\$ 3.4 Trillion GDP
7 / 10 Fastest
growing economies

500 Million Consumers
\$ 18.3 Trillion GDP
Worlds Largest rules based single market



Investment Opportunities
Infrastructure, Technology and more
Creation of a Larger Market
Alliance with WTO agreements
creating much needed Transparency
In Africa

Strategic Investments in
Job Creation
Investments in Education &
Matching skills and jobs.
Business Environment And
Investment Climate

Rebuilding an advantaged Economy with the prompt of avoiding pitfalls of the old economy

1. **Infrastructure Investments : Africa has a compelling case for accelerating infrastructure development across the continent .**



2. Renewable Energy : Investments in Africa's Energy Needs•

Africa's Energy potential especially renewable energy is enormous and under-utilized investments in Solar, Wind , Biomass Hydro and Natural Gas.

Homepage » AFRICA: €44 billion from EU for renewable energy in sub-Saharan Africa

AFRICA: €44 billion from EU for renewable energy in sub-Saharan Africa

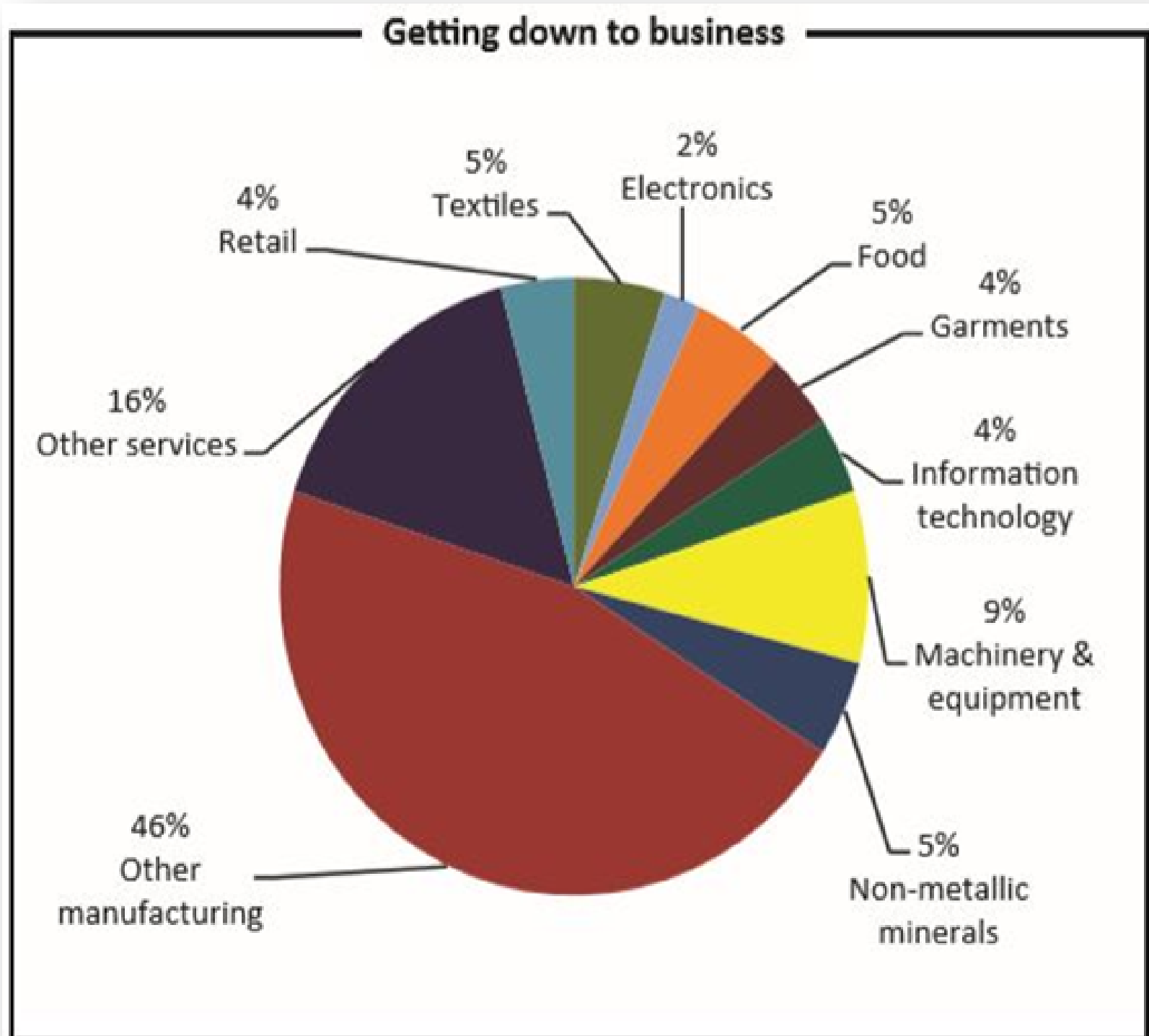
By Boris Ngounou - Published on October 4 2018 / Modified on September 28 2019



The European Union announces a 44 billion investment in clean energy development projects in Africa, south of the Sahara. The objective is to unlock the continent's renewable energy potential in order to improve living conditions for the population and preserve the environment.



3. Manufacturing:



Source: World Bank
Manufacturing and services sub-sectors of Chinese firms in Ethiopia, excluding construction companies



4. Oil and gas:



5. Mining:

The African continent is richly endowed with mineral resources – this cannot be disputed.



6. E-Governance

Globally, governments have accepted and engaged in the provision of electronic related services over the world wide web as a method of cutting down costs and improving the public sector.



Technology and Telecommunications :

“ What surprises me is the interest from global advertising giants in telco acquisitions in the race to secure access to the growing African middle class” Mark Casey, TMT Industry Leader – Africa



8. Agriculture and Agro-Processing:





STATE OF THE UNION 2018

Strengthening the EU's partnership with Africa

A new Africa-Europe Alliance for Sustainable Investment and Jobs

#SOTEU

12 September 2018



'What happens in Africa matters for Europe, and what happens in Europe matters for Africa. Our partnership is an investment in our shared future. It is a partnership of equals in which we support each other, help each other to prosper and make the world a safer, more stable and more sustainable place to live.'

Jean-Claude Juncker, African Union-European Union Summit, Abidjan, 27 November 2017

In his State of the Union Address on 12 September 2018, President Jean-Claude Juncker proposed to deepen the EU's economic and trade relationship with Africa through investment and job creation.



Strategic investment and job creation



Investment in education and matching skills and jobs



Business environment and investment climate



Economic integration and trade

A new Africa-Europe Alliance for Sustainable Investment and Jobs

The aim of the Alliance is to take the EU's partnership with Africa to the next level. To do so, the Commission proposes to boost investment, further attract private investors, support education and skills development for employability, as well as boost trade and improve the business climate.

This plan will be supported by the Commission's current and future budget, for which Africa is highlighted as a priority region.

• Investment through the Alliance will create up to **10 million jobs** in Africa in the next 5 years.

• **24 million people** will have access to all-season roads through our leveraged investments in transport infrastructure

• **105,000** students and academics will benefit from Erasmus+ by 2027

• **750,000** people will receive vocational training for skills development

• **30 million** people and companies will benefit from access to electricity thanks to the EU's leveraged investments in renewable energy and a generation capacity boosted by 5 GW



Consolidating relations between the EU and Africa was made a high-priority by President Ursula von der Leyen when stepping into leadership of the European Commission ,

THE EU IS ALREADY AFRICA'S MAJOR ALLY FOR BOTH EXPORTS (36%) AND IMPORTS (33%), TOWERING ABOVE AFRICA'S OTHER TRADE PARTNERS, INCLUDING CHINA (9% EXPORTS, 13% IMPORTS), INDIA (9% EXPORTS, 5% IMPORTS) AND THE UNITED STATES (7% EXPORTS, 5% IMPORTS).



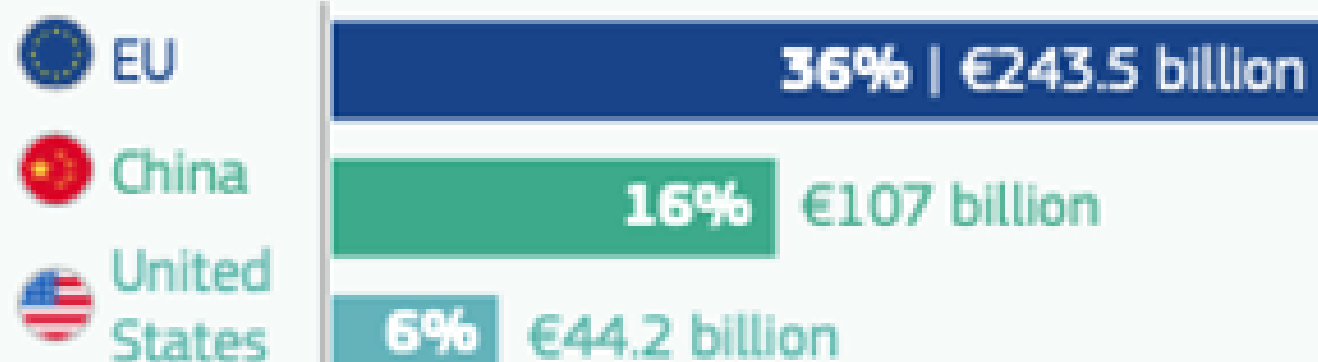
CONTINENTAL TRADE BETWEEN EU AND AU

Tapping the full potential of economic integration and trade

The EU is Africa's biggest trading partner, accounting for **36% of Africa's trade in goods**, worth **€243.5 billion** in 2017. The EU remains the most open market to African exports in the world.

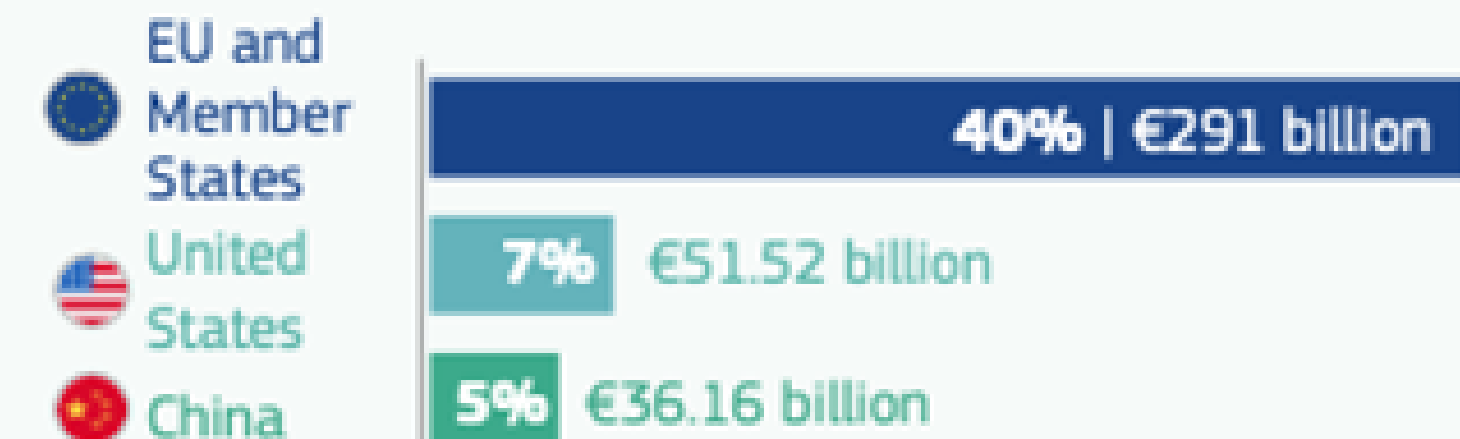
Africa's trade in goods in 2017 per partner

Total trade (exports and imports)



Source: IMF.

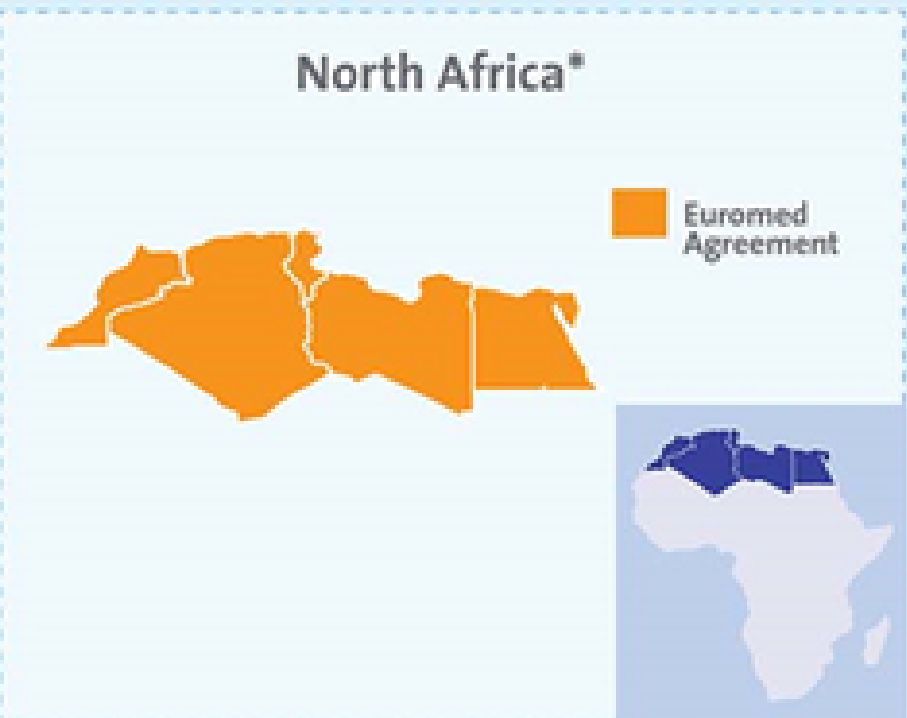
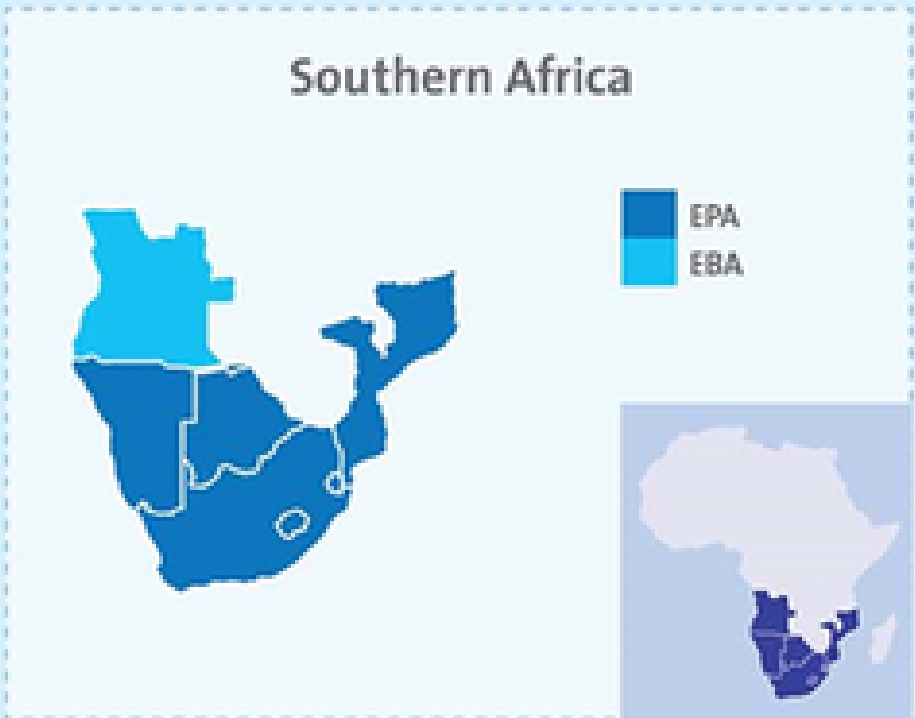
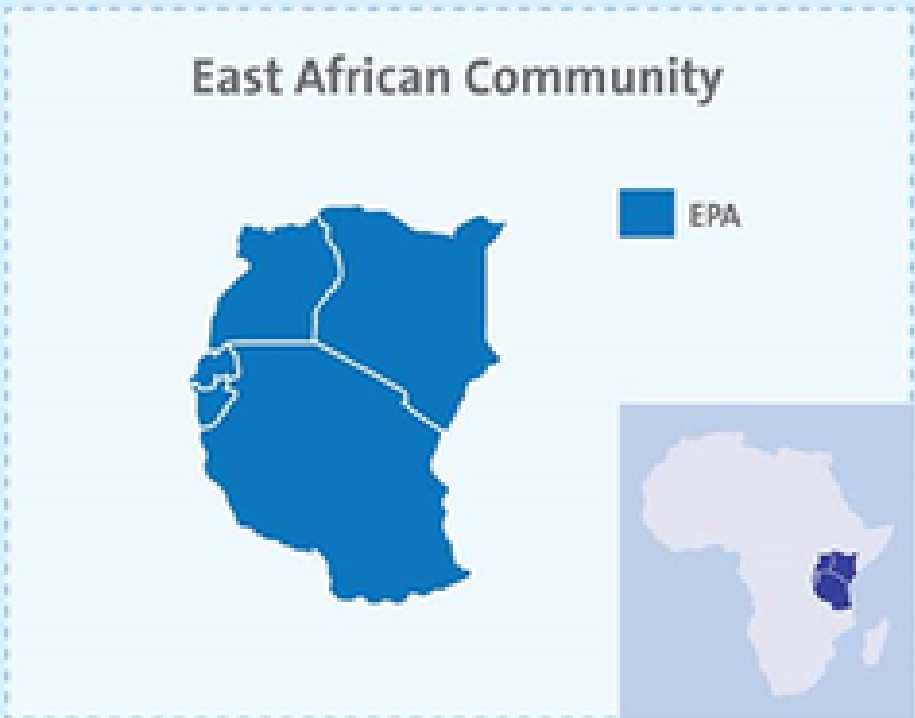
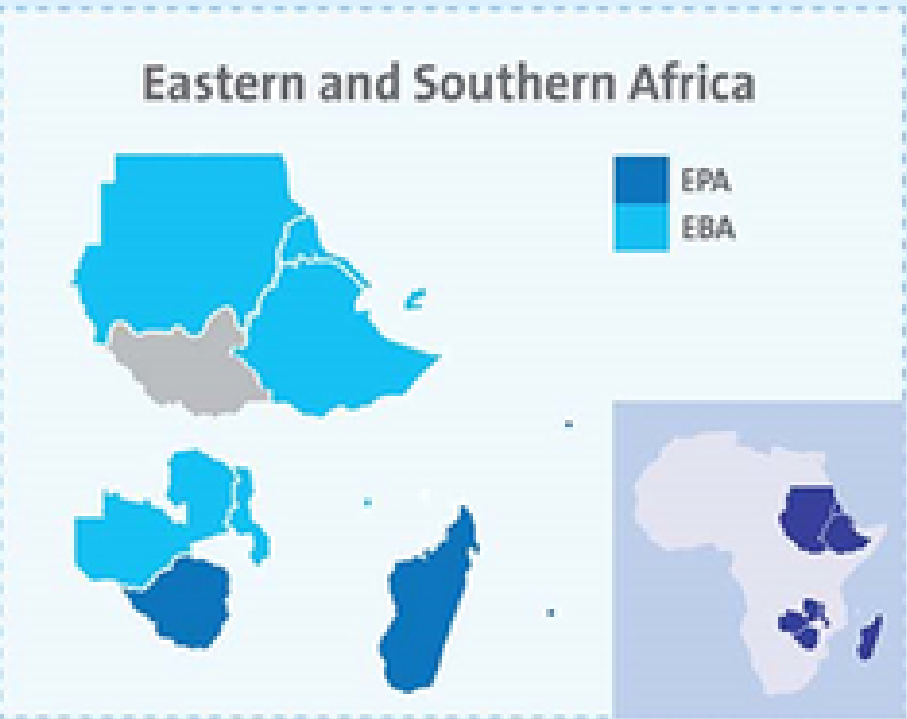
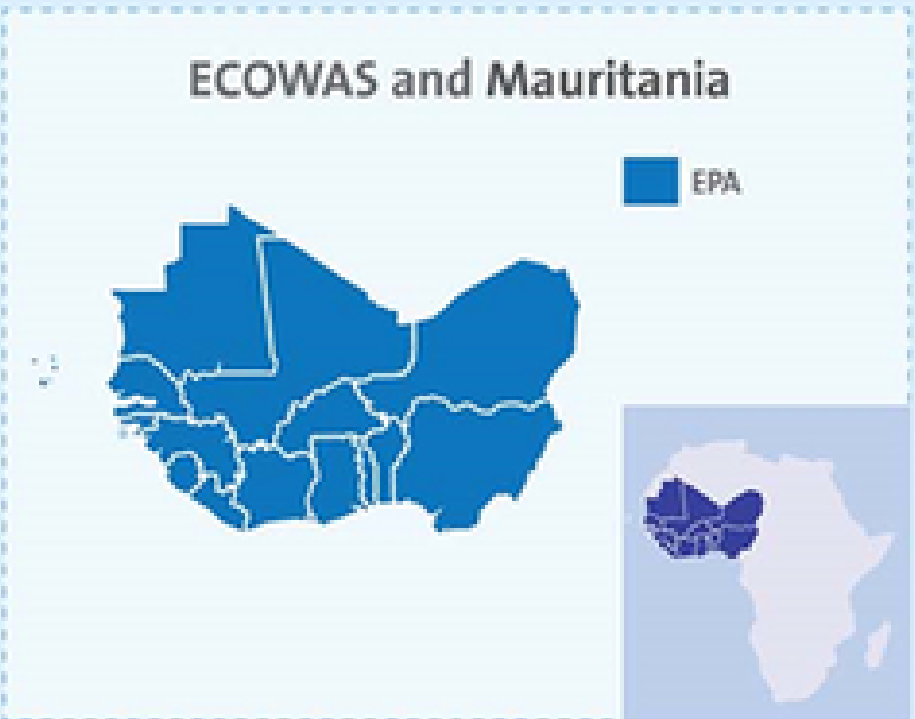
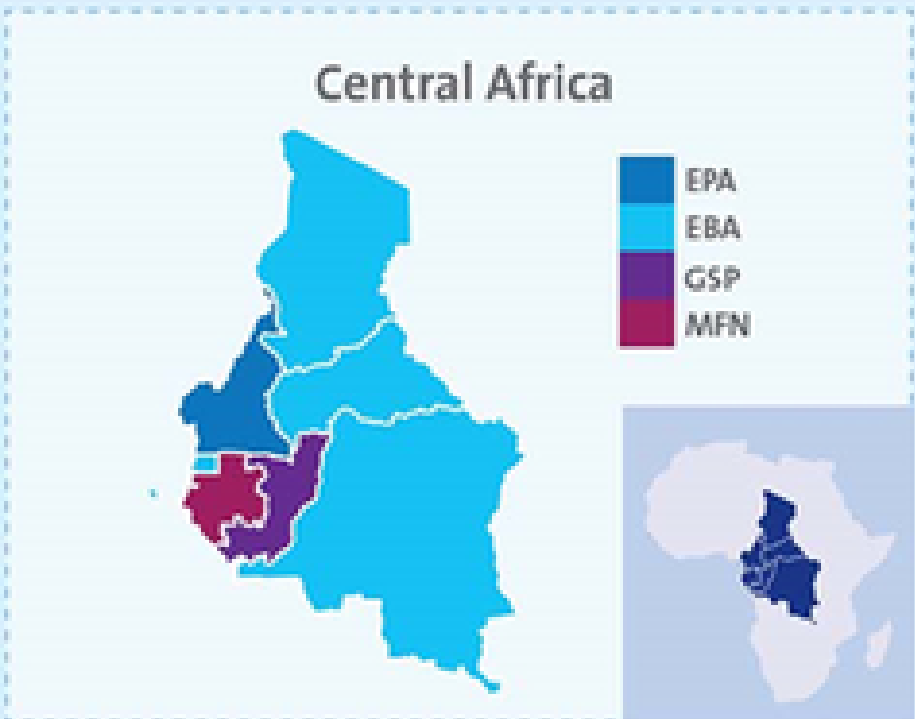
Foreign Direct Investment in Africa



Source: Eurostat, UNCTAD World Investment Report 2016, Japan External Trade Organisation.

New Trade Regimes by Regions

- EPA Economic Partnership Agreement
- EBA Everything But Arms
- GSP Generalised System of Preferences
- MFN Most Favoured Nation
- Euromed Agreement



*North African countries are not involved in EPA negotiations. However, for the purpose of African continental integration coherence, the trade regimes applicable to North Africa countries are included in this note.



(*) General Scheme of Preferences (GSP+) for vulnerable low and lower-middle income countries — grants full removal of tariffs on over 66% of EU tariff lines

AFRICA- EUROPE DIGITAL ECONOMY



EU-AU Digital Economy Task Force



The Digital Economy Task force (DETF) is the platform for partnerships

It gives Private sector , donors , international organizations , financial institutions and civil society common ground based on an already fast evolving African Digital transformation as to achieve cross-border integration as to bring benefits to all citizens

The DETF helps the EU and AU Prioritize actions for cooperation

It was established in response to President Juncker's proposal for a new Alliance

The Potential

Africa is sitting on a substantial opportunity when it comes to the potential profit from digital transformation which in turn could provide millions of jobs for the young people who seek employment every year

The digitalization will improve the access to quality basic services increasing the transparency and accountability of the public sector, hence enhancing the human rights in Africa.

With the youngest population in the world the digital growth is rapid over the past decade, Africa has registered the highest growth globally in internet access from 2.1% in 2005 to 24.4% in 2018

This progress spreads not just to internet but to Mobile-Cellular telephone Subscriptions with the mobile economy accounting for 6.7% of the GDP in 2017. This is expected to rise to 7.6% (\$ 214 bn) by 2020.

A shared vision for a human-based digital economy

- The DETF members share one long term goal which is to create an inclusive digital economy and society in which every citizen regardless to sex or age gets the opportunity to participate in the digital world .
- In the EU, the Digital Single Market creates competitiveness and innovation with a common market for more than 500 million people. It has comprehensive policies and regulations that are tailormade to remove all kind of barriers and support eCommerce , Innovation and Entrepreneurship.
- Although the great journey towards the African Digital Single Market has begun the continent is still far from reaching this goal without the proper policies and investments in place .
- With the creation of the AfCFTA and the experience of the European Union this is a great opportunity from which Africa can benefit as a comprehensive approach can stimulate growth in both Europe and Africa .

A MULTI-STAKEHOLDER PARTNERSHIP

TO ACHIEVE THIS BASED ON COMMON PRINCIPLES WE NEED TO STRUCTURE THESE PARTNERSHIPS BASED ON THE FOLLOWING PRINCIPLES

1.AFRICAN LEADERSHIP

2.HUMAN-CENTERED

3.DIGITAL-BY-DEFAULT SERVICES

4. BUILD ON THE EXISTING INSTITUTIONAL FRAMEWORK

5. FREE FLOW DATA

6. MUTUALLY BENEFICIAL FOR AFRICA AND EUROPE

7. A TRANSPARENT, PREDICTABLE AND STABLE REGULATORY ENVIRONMENT

8. POLITICAL LEADERSHIP BASED ON RESPECT FOR DEMOCRACY, RULE OF LAW AND HUMAN RIGHTS

9.IMPROVED STAKEHOLDER COORDINATION

10. CLIMATE SUSTAINABILITY

11. INCLUSIVE AND SUSTAINABLE DEVELOPMENT

INTERNET ACCESS

Internet access, long-viewed as a luxury in Africa, is fast becoming crucial to inclusive economic growth. Examples of its innovative use span the continent – from Markeplaces like TradeBRICS connecting farmers to markets, to technology unicorns uniting vendors and consumers via sophisticated eCommerce platforms. While great differences in access and connectivity exist, falling data charges are spurring a abundance of new opportunities .



TOP 3 COUNTRIES BY INTERNET PENETRATION IN 2017

MOROCCO	62%
SOUTH AFRICA	56%
MAURITIUS	56%

MOST EXPENSIVE 1GB OF DATA

Zimbabwe	4 money bags
Equatorial Guinea	3 money bags
Djibouti	2 money bags

COUNTRIES WHERE THE COST OF 1GB OF DATA HAS FALLEN THE MOST BETWEEN 2015-2017

SIERRA LEONE	MALAWI	RWANDA
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INTERNET ACCESS

25%
of Africans had access to the internet in 2017

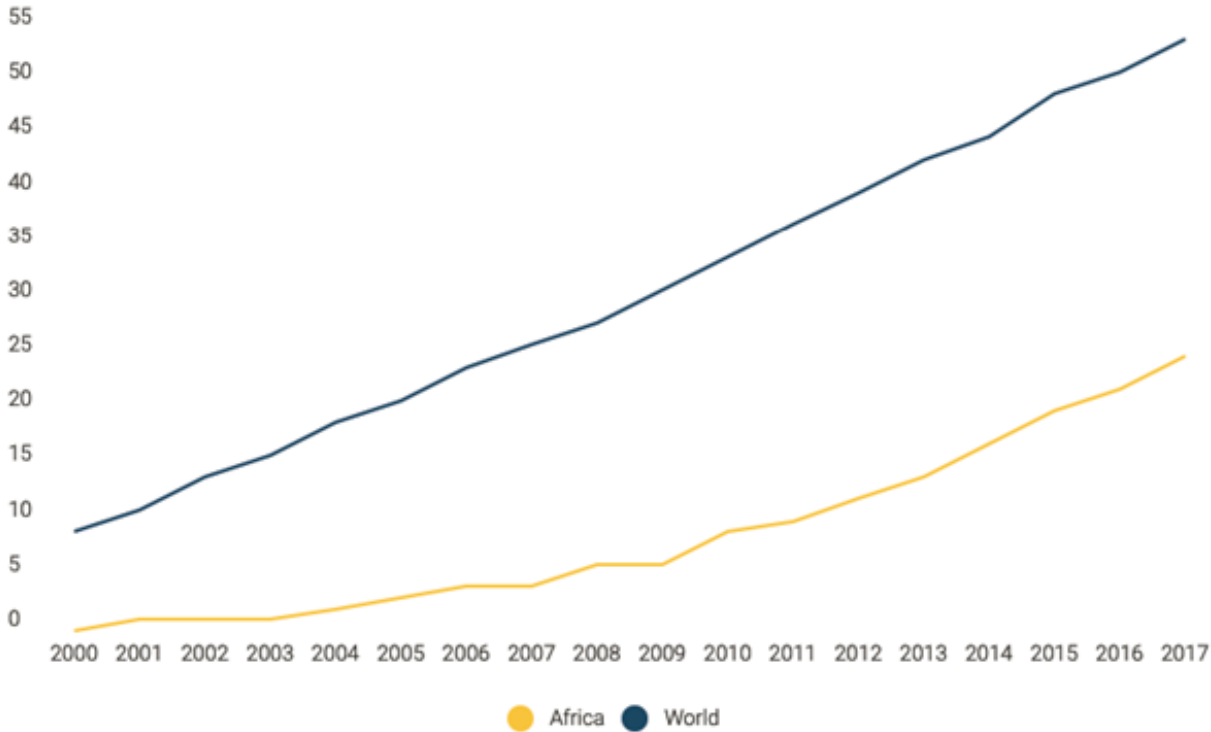
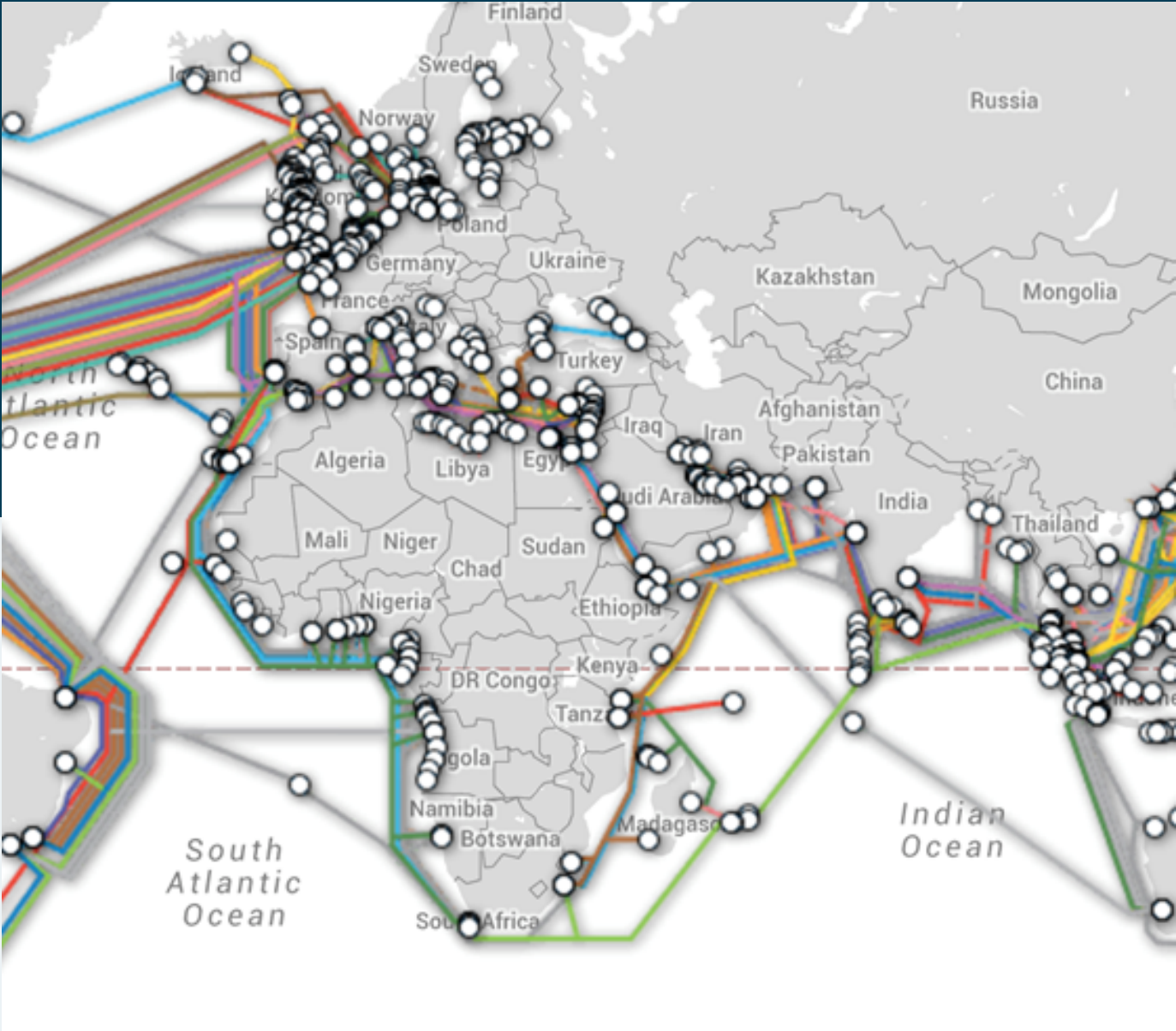
55%
of the rest of the world had access to the internet in 2017

CHEAPEST 1GB OF DATA

Rwanda	2 money bags
Sudan	3 money bags
DRC	4 money bags

DATA CENTERS IN AFRICA

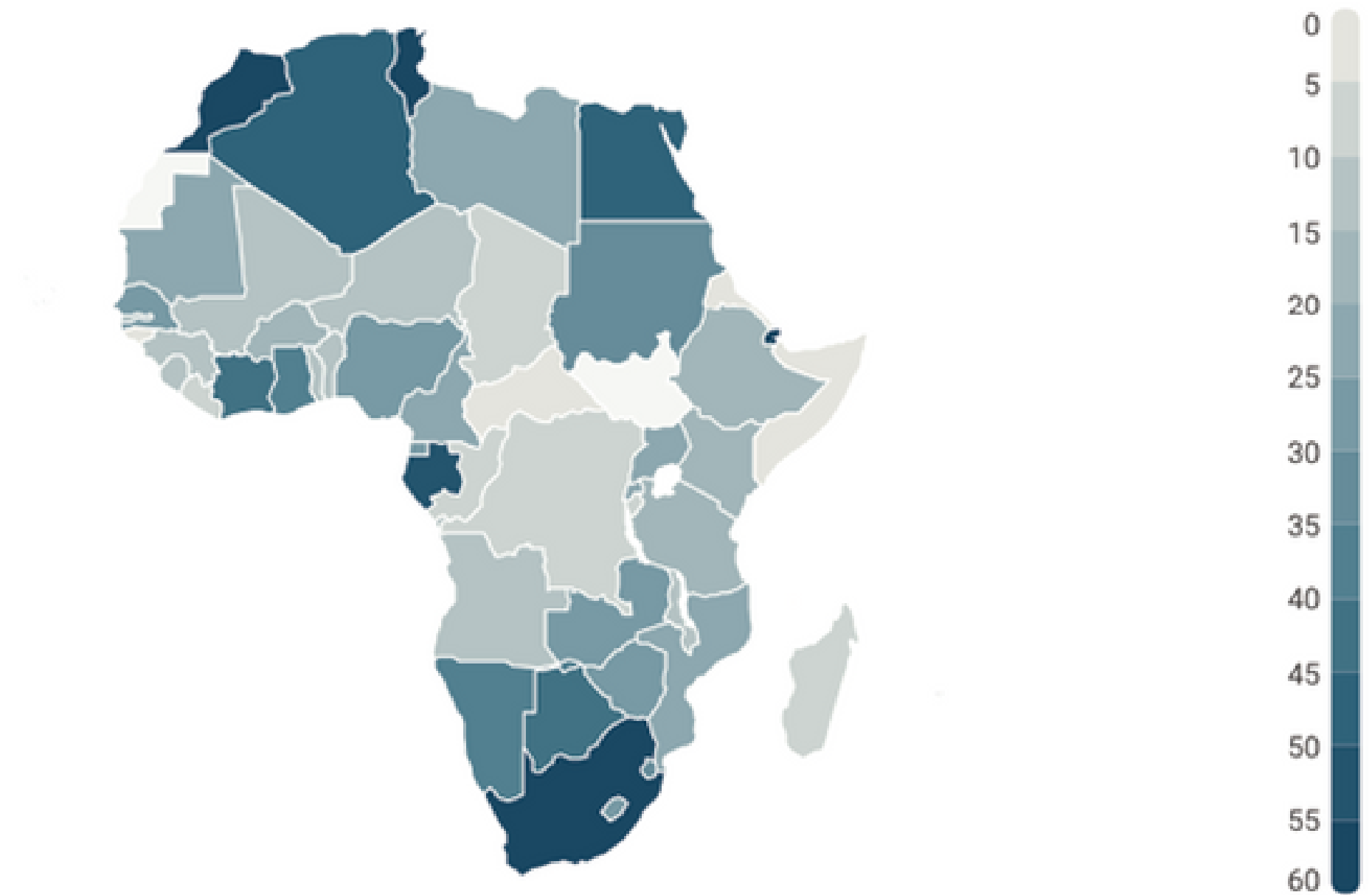
INTERNET ACCESS AFRICA VS THE WORLD



Source: ITU, RMB Global Markets

Figure 5.2 highlights the difference in internet penetration between the most connected country relative to the least over time. What is evident is that while most countries are on an upward trajectory, there are countries such as Somalia whose internet penetration level has averaged 1% since the turn of the millennium. This is in stark contrast to a country like Morocco whose internet penetration has increased from less than 1% in 2000 to the current 60%.

INTERNET USAGE BY COUNTRY



Source: ITU, RMB Global Markets

For businesses whose operations depend on internet connectivity, coastal countries would be more attractive for expansion given the lower cost implications compared to landlocked countries.

However, it is encouraging to note that the cost of data relative to household incomes is dropping as competition among internet service providers (ISPs) intensifies across the continent (Table 5.1).

AVERAGE PRICE OF 1GB OF DATA RELATIVE TO MONTHLY INCOME

	2015 (%)	2017 (%)	Percentage point change	Percentage point difference from global average
Benin	16.60	10.80	-5.80	5.34
Botswana	5.74	2.19	-3.55	3.27
Burkina Faso	15.45	14.16	-1.29	8.70
Cameroon	12.27	6.35	-5.92	0.89
Côte d'Ivoire	7.23	7.01	-0.22	1.55
Egypt	1.19	0.33	-0.86	5.13
Ethiopia	19.63	9.65	-9.98	4.19
Gambia	14.12	15.31	1.19	9.85
Ghana	3.89	3.56	-0.33	1.90
Kenya	9.72	4.01	-5.71	1.45
Malawi	35.96	17.85	-18.11	12.39
Mali	19.37	21.04	1.67	15.58
Mauritius	1.12	1.01	-0.11	4.45
Morocco	2.05	2.21	0.16	3.25
Mozambique	11.94	9.43	-2.51	3.97
Namibia	2.69	4.66	1.97	0.80
Nigeria	6.54	1.59	-4.95	3.87
Rwanda	20.16	3.87	-16.29	1.59
Senegal	10.20	5.23	-4.97	0.23
Sierra Leone	51.89	20.80	-31.09	15.34
South Africa	2.48	2.50	0.02	2.96
Sudan	0.99	4.41	3.42	1.05
Tanzania	8.74	5.83	-2.91	0.37
Tunisia	1.56	1.37	-0.19	4.09
Uganda	27.71	16.20	-11.51	10.74
Zambia	14.94	12.25	-2.69	6.79
Zimbabwe	44.68	32.97	-11.7	27.51
Africa	12.47	8.76	3.71	-3.3
Global average	7.80	5.46	4.56	

FINANCE AND INFRASTRUCTURAL NEEDS



First rate affordable
and Sustainable
Products and
Services



Less Time

**Frugal
Innovation**



Less Capital



Less Energy

FRUGAL ECONOMY MODEL: DO MORE WITH LESS

Traditional Development models are being overhauled to incorporate new solutions to serve 1.2 billion Africans. The Frugal Economic Model is ideal for the African continent. This addresses both the top and bottom of the consumer pyramid.

**Some Companies that are achieving great success by embedding Frugality in the business model
Pepsi Co, Ford, GE IBM, Siemens, Unilever and
American Express .**

THANK YOU

