

African Union

- **Africa:** Millions of Kenyans have been using M-Pesa for the last 9 years. Mobile money transactions in SSA hit \$656 million in 2014, and could more than double to \$1.3 billion in 4 years. While M-Pesa has been a success in Kenya, it was slower to take off in Tanzania, and an outright failure in South Africa. Where bank accounts are more common, it becomes less useful and will struggle to get off the ground if it doesn't meet a specific need and serve a specific purpose. Closed systems and a lack of interoperability do not help with this. Consumer uptake must be matched with merchant acceptance. Few manage to achieve this. There are also concerns of accessibility to those at the bottom of the pyramid. The agent model also has its limitations as they must process a certain volume of transactions each day to make a profit. M-Pesa has undoubtedly been a resounding success. The evident limitations mean the true potential of mobile money remains as yet unfulfilled. The people that would benefit the most from mobile money services are still denied. It might be that a whole new level of innovation is required for all to benefit from M-Pesa. For more information, read [here](#).
- **CAS View:** M-Pesa has come a long way to empower consumers and has been used as a platform for various add-ons in the world of mobile money. Here we can think of M-Kopa and M-Akiba, to name but 2! However, the article clearly indicates that contrary to popular opinion, there are still quite a number of opportunities to add value to the bottom of the pyramid consumers as far as mobile money is concerned. Entrepreneurs with the required technical skills and market understanding, still have a good chance of creating a lot of value for themselves by adding value to the consumers. However, this requires that they understand Africa and its needs.
- **Africa:** Digital marketing in Africa is seen as the next great opportunity. Penetration into the African market via mobile devices is unprecedented. 67% of people have a mobile device, using them to take pictures and video, sending messages, consuming information and mobile payments. A key aspect is to recognize the high cost of data in Africa that limit's people's desire to engage with data-heavy content and campaigns. Bottom line? Social media success in Africa requires simplicity. Social penetration in Africa is growing exponentially and in a few years, the numbers will be impressive. Currently social media is still for the young and wealthy. In Africa, the price of broadband is 178% of the GNI per capita! Yet there is a hunger for the kind of content which social media serves up. The major internet companies like Facebook, Twitter and Google are keenly aware of Africa's potential for exponential growth. Young Africans are very receptive to online advertising. A mix of online and social advertising with more traditional methods is seen to be the ticket to success in Africa. Brands that value transparency and live by their values will win in Africa; campaigns need to think outside the box and create lasting value for areas where scarcity and hardship are often the lived experiences of the community. For more information, read [here](#).
- **CAS View:** Social media marketing is a field that requires innovation and cost consciousness. It needs to play on the needs and wants of the various target segments, but it must be very specific as to the message it conveys. Again there is an opportunity for entrepreneurs to create value for themselves by setting themselves up to add value to the companies that target Africa. It is also interesting to note that foreign companies use African social media entrepreneurs to not only target the African consumers, but also consumers in their home country. The reason for this is cost. Given the exchange rates that mostly work in favour of companies in countries such as the USA and UK, it costs peanuts for them to use African social media marketers. Technology has opened up the world for Africa's digital entrepreneurs. Cost wise, few other developed economies, if any at all, can beat them. And quality is not an issue!

East Africa

- **East Africa:** East Africa is home to some of the world's fastest growing cities, some of which are also among the world's poorest. The pace of urbanisation and high incidence of poverty pose a serious challenge for East African policymakers. Inadequate urban infrastructure is facing further stress from rapid population and economic growth, resulting in the rapid growth of informal settlements on the edge of cities. The settlements are under-served, lacking basics like clean water, adequate sanitation and modern energy. A wide range of economically attractive investments in renewable energy, energy efficiency and waste management has been identified. It shows East Africa can pursue more sustainable patterns of urban development without sacrificing economic growth. There are a range of low-carbon measures available in Kigali that offer a return of 5% or more per year, e.g. more energy efficient commercial and public buildings; improved cooking stoves; more efficient light bulbs; rooftop solar panels; electric motorcycles and bicycle lanes; and electricity generation from methane captured in Kigali's landfill. Successful implementation of these measures will reduce Kigali's energy expenditure by US\$173 million. The challenge is to mobilise the \$920 million required for capital expenditure. Should policymakers be able to ensure that the potential co-benefits are enjoyed by the urban poor, climate action in Kigali could support more sustainable and more inclusive economic development. For more information, read [here](#).
- **CAS View:** Renewable energy and energy efficiency have frequently been discussed by CAS. This research is interesting as it shows that this approach can and should benefit the poor as well. Informal settlements next to cities are notoriously under-served for good reasons. This does not mean local, provincial and national governments can sit back and say it is out of their hands. These settlements frequently become violent crime areas. When asked about Boko Haram in the north-east of Nigeria, ex-President Obasanjo stated that military action, whilst required, was insufficient to address the phenomenon of terror. What was required was better socio-economic conditions, as well as education and leadership. The above shows that being more efficient can save millions of dollars. Together all these factors can combine to make Africa a much better place. Ironically it seems that the conditions also create investment opportunities for companies such as Surbana Jurong, Hyflux, and SCE. As one large retailer in South Africa constantly says, "doing good is good business."
- **Kenya:** Strathmore Business School recently launched the first Center for Sustainability Leadership in the region, aimed at supporting business leaders in shaping and adopting more environmentally-friendly and socially inclusive business practices. According to Dr George Njenga Deputy Vice Chancellor of Research at Strathmore, current and future business leaders must be trained and equipped with a strong understanding of and the solutions to the challenges of sustainable development. Training will be offered to business leaders of fast moving consumer goods (FMCG), banking, and manufacturing industries in the region. The Centre will focus on building long-term leadership thinking and provide operational solutions to business challenges in a sustainable way in East Africa. The programme is in line with the SDGs, which were unveiled by the UN in September 2015. SDGs require the involvement of the private sector, civil society and government to facilitate successful adoption over the set target of 15 years. According to Mr Geoffrey Odundo, CEO of the NSE who officially launched the Centre, business leaders need to play a pivotal role in sustainable development and mitigate the challenges affecting the world. The Centre will concentrate on research, capacity building, entrepreneurship, policy, governance and stakeholder dialogue on sustainable development. For more information, read [here](#).
- **CAS View:** A few decades ago, sustainability was something nobody really paid attention to. Then it became something that was done on the side. It is good to see an integrated approach to business, leadership and sustainability, not only of the environment, but also of business. Ideally we should have leaders that have a worldview

in which these elements form a cohesive, integrated and interrelated whole. Without paying attention to the environment and society at large, no business will be sustainable in the long run. However, pursuing sustainability in a non-integrated way will not yield the returns required, both material and non-material. Strathmore's initiative must therefore be lauded; long-term leadership thinking and seeking operational solutions to business challenges in a sustainable way is the way to go!

- **Kenya:** Kenya's private sector firms have been urged to form partnerships with foreign companies to avoid being left out of big ticket deals. Bigger firms had an array of shared skills that enables them to clinch contracts, as well as deeper pockets than small individual firms. Kenyan firms risked losing out on various tenders for various projects across East Africa if they continue marketing themselves as one person firms. Merging firms would enable the Kenyans to compete effectively in a global arena since Kenya had signed numerous global pacts that opened its market to skills and capital transfer as a way of boosting development. In general, Kenyan firms only competed for small contracts while the large contracts went to international firms that were well endowed. Only 22 Kenyan firms were registered as category one providers. The rest are 56 Chinese companies and 45 other international companies. However, Kenyan contractors would soon be able to compete for multi-billion tenders since the government will provide them with a project guarantee of up to 20% of the project cost. Kenyan contractors would also be able to lease equipment at a fee, enabling them to compete effectively with the well-endowed foreign firms. For more information, read [here](#).
- **CAS View:** This is excellent advice for Kenyan companies wishing to compete against better resourced and larger foreign companies. It also provides international companies with the opportunity to get access to local companies with all the benefits thereof. A credible and competent partner in Africa is worth its weight in gold, as you get access to an entity that knows the local market, the local customs, and the local regulations. In addition, the local partner's network can also be invaluable. Large South African companies such as Sanlam have been targeting local companies in Africa as its main expansion strategy. Given that Kenya is part of both the EAC and COMESA, and soon the TFTA, developing a partnership with a local Kenyan company could also provide free trade access to companies wanting to serve Africa. The TFTA will provide access to 26 countries and over 600 million people – a huge market opportunity!

West Africa

- **Nigeria:** President Buhari has identified 5 key sectors Nigeria must focus on to revive the economy: agriculture, power, manufacturing, housing and the health care sectors. Nigeria's health sector remains undeveloped, forcing Nigerians to spend \$1 billion yearly for medical treatment abroad. Inadequate power supply continues to undermine Nigeria's capacity to develop in all sectors. Although the sector has been privatized, there has been no improvement in the quality of service. Manufacturers were unable to access foreign exchange for their raw materials, goods and services. Buhari has ordered a campaign to patronise Made-in-Nigeria goods. On agriculture, both peasant and mechanised farmers agreed with the general public that food production and self-sufficiency required urgent government action. Banks had to make credits available to farmers. There should be more fiscal incentives for SMEs that prove themselves capable of manufacturing products good enough for export. On housing, Buhari put Nigeria's housing deficit at about 16 million units. The target was a million units a year. Nigeria should invite foreign investors together with local domiciled big construction companies to enter into commercial housing building to pick up half, with the federal and state governments picking up the rest. For more information, read [here](#).

- **CAS View:** Nigeria's developmental needs in the 5 sectors identified by President Buhari create numerous entrepreneurial opportunities. Energy, housing and health are crucial to create a satisfied population, with energy also a crucial input in the development of the manufacturing and agricultural sectors. All 3 these sectors (energy, manufacturing and agriculture) must be prioritised should Nigeria want to diversify its economy away from the dominance of oil. When recently asked in Singapore about advice to President Buhari on how to diversify the Nigerian economy, ex-president of Nigeria, His Excellency Obasanjo, identified 3 factors: agriculture, agriculture, and agriculture. Here he referred to the total value chain in the agro-industry, which would start from OEMs providing equipment to prepare fields, including energy, etc., right down to the removal of human and other waste. Going back to the announcement of Nigeria's 2016 budget, it is clear Buhari has targeted the industrialisation of agriculture as one way of diversifying Nigeria's economy. It now remains to be seen to what extent the private sector would be prepared to join the Nigerian government to grow and develop Africa's largest economy and to make it less dependent on oil.

North Africa

- **Egypt:** Egyptian stocks were set to extend their record winning streak as investors bet last week's currency devaluation will boost Egypt's economy. The EGX 30 Index rose 0.5%, extending its advance for a 12th day. About 261-million shares traded, compared with a one-year full daily average of 198-million. Undeterred by the biggest interest rate increase in at least 10 years, investors piled into Egyptian stocks after the central bank weakened the currency 13% last week, the most since 2003. The devaluation was part of policy makers' plan to lure foreign investment and alleviate a dollar shortage that has crippled North Africa's biggest economy. The EGX 30 entered a bull market this month and is now up 32% from a two year-low in January. Egypt's stocks are "seeing a clear trend reversal," said Cairo-based Ashraf Akhnouk from Commercial International Brokerage Co. Investors are taking in positive signals from the central bank as officials finally move to address the dollar shortage. The rate increase was already priced in, he said. For more information, read [here](#).
- **CAS View:** Although this section is on Egypt, CAS is more interested in the analogy for Nigeria that finds itself in a somewhat similar predicament. It is interesting to note that while Egypt took the step to devalue its currency, Nigeria till now has refused to do so. The official US\$ conversion to the Naira is about 200 NGN to 1 US\$. The parallel market offers about 320 NGN for a US\$! Rather than devaluing the NGN, President Buhari has elected to develop a ban list for which there would be no foreign currency allowance. The rationale is that Nigeria must use its internal sources to grow and manufacture many of the products currently being imported. This appears to be hurting the Nigerian economy more than helping it, in the short term in any case. Many voices have been raised for the NGN to be devalued, to no avail. The Egyptian experience should provide Buhari with some food for thought as to his next steps. When asked at a recent talk in Singapore, ex-President Obasanjo was of the opinion that it was crucial for the Nigerian economy to diversify. Given this, although the current policy of Buhari was creating short-term pain, it would deliver benefits in the long-term as a diversified Nigerian economy would be to the country's advantage. It remains to be seen whether the stick approach is the right one and whether a devalued NGN and a diversified economy are mutually exclusive. The reality is that Nigeria should be growing many of the agricultural products it has been importing until quite recently. That cannot be denied. Foreign companies interested in tapping into the opportunities presented by this, should do their homework and invest in Africa's largest economy!