

African Union

- **Africa:** The health sector is also turning towards mobile applications and solutions to address Africa's health challenges. Infrastructure challenges unfortunately still exist that do place obstacles in Africa's journey to a healthier population.

E-health solutions in Africa are addressing health problems as diverse as child mortality, the spread of contagious diseases and ambulance accessibility. Kenyan startup Flare provides the ability to browse emergency transport options by brand, price and quality. Wazazi Nipendeni, meaning 'Parents Love Me' in Swahili, is a SMS-messaging service aimed at reducing the 45,000 newborn deaths registered each year in Tanzania. International healthcare provider, Merck, launched Africa's first e-health startup accelerator in April, aimed at nascent startups with a broad appeal. Merck provides each of the 3 start-ups it selects with \$15,000 in equity free funding and 3 months working space at Metta, a global entrepreneurship club with a base in Nairobi. Merck experts also provide mentoring and coaching. Africa has few major pharmacy chains, which hampers the roll-out of e-health solutions. Health insurance coverage also varies widely country by country. Creating highly interoperable programmes and establishing partnerships can help to move the e-health industry forward. The goal is to move from individual initiatives that act as silos of information to interconnected platforms that proactively monitor health holistically and improve patient care. South African-based FOLUP is one platform working to do this. For more information, read [here](#).

- **CAS View:** Sustainable Development Goal Number 3 states "Ensure healthy lives and promote wellbeing for all at all ages." It has also been stated that if the SDG's do not work in Africa, they won't work at all. Mortality rates in Africa are high. There is therefore a strong need to address health problems in Africa. Given the widespread use of mobile phones in Africa, it just makes sense to use this phenomenon to provide advice and services in the health sector. A lot has been said about the use of mobile phone applications to address the levels of financial inclusivity in Africa. They are also used with success in the agricultural sector. From this article it is clear that substantial progress has been made to also use mobile phone applications in the field of health. Africa still has challenges in this regard, as the article mentions the absence of major pharmacy chain throughout Africa. This would be even more problematic in the rural areas of Africa's countries. The challenge is therefore to not just develop mobile phone applications for the health sector, but to also develop the infrastructure to provide, amongst others, medication. Some countries are, interestingly, experimenting with the use of drones to deliver small packages where the road infrastructure is poor. But it requires more than good roads and delivery companies. Africa needs large pharmaceutical companies to put down a distribution network in the respective countries. The market is there.
- **Africa:** Consumer spending is growing in leaps and bounds in certain cities in South Africa, Kenya, Nigeria and Cameroon. It appears there are some factors that drive this growth, while others curtail it.

The Kenyan cities of Kisumu, Mombasa and Nairobi will experience over 200% growth in total consumer expenditure from 2015 to 2030, according to Euromonitor International. The report ranked the top 10 fastest growing cities in Nigeria, Kenya, South Africa and Cameroon for consumer spending during the 2015-2030 period. While South Africa's Johannesburg and Pretoria remain heavyweights in consumer expenditure, they are becoming increasingly saturated and growth is shifting to cities in other key African countries. Kenya's Kisumu, Mombasa and Nairobi are the fastest-growing markets due to a combination of population expansion and rising disposable household income (expected to average around 85% growth over 15 years). Nigeria's capital Abuja is set to see

increases in consumer spending with a population expected to expand by 157% from 2015 to 2030. However, disposable household income growth is predicted to be only 4.8%. Port Harcourt and Ibadan, second-tier Nigerian cities, also made Euromonitor's top 10 list but, like Abuja, have comparatively low household income growth rates. Lagos did not make the top 10 ranking. Lagos will remain the largest consumer market in 2030 (US\$60bn), but its growth in consumer spending will not be as impressive. Cameroon's two flagship cities Yaoundé and Douala are also set to see impressive growth of over 100% in consumer spending, which reflects an improving economy and fast-growing population. For more information, read [here](#).

- **CAS View:** One needs to be careful when reading this article, as the report addresses growth and not levels of consumer spending. That is why Lagos is not on the list, and why Johannesburg figures poorly. Cities coming from a low base have a better chance to make the list. However, it still reflects where future growth will be. High growth cities make it easier for companies to achieve revenue growth targets, with less worry about competitors. The article does not state on what basis these 4 countries were selected. The article clearly states that overpopulation and poor infrastructure are constraints to growth in consumer spending. At the same time, population growth and disposable income are drivers of consumer spending. It shows upon the need for proper city master planning and infrastructure development, together with economic planning. Unfortunately, as previously stated, all too frequently we find in Africa that cities "happen", they are not planned. Unplanned urbanisation therefore not only places pressure on city management, but also on the economic performance of these cities.
- **Africa:** The slowing growth of China and the end of the commodity super cycle, amongst others, have played havoc with currencies in Africa. However, there are also opportunities in the manufacturing sector to tap into, given this sad state of affairs.

The currency devaluation of some African countries could create an opportunity for African manufacturers. The first opportunity lies in the by-products of refining and the downstream products that are manufactured from these by-products. Benefits include reducing margins paid on fuel, significant industrialization from processing some of the by-products into finished products, and jobs. Another opportunity lies in primary agriculture, which includes products such as meat, milk, palm-oil, sugar and rubber. The lack of needed infrastructure in Africa makes the route to market that much more difficult and expensive, while the commodity-like nature of milk and the concentration of processors, makes farmers a price taker, threatening margins. Another opportunity is the packaging industry. If local industries, having traditionally provided a low-cost solution of poor quality and little variety, could offer the likes of Unilever and Procter & Gamble a local packaging solution of a sufficient quality, a significant opportunity could exist. There are opportunities in small pockets for those investors who truly understand African risk and the potential longer-term rewards. For more information, read [here](#).

- **CAS View:** The currency devaluation of countries such as Nigeria has indeed been bad news for their governments and business communities. However, this article shows that every cloud has a silver lining. That is why most economists are double-handed people (on the one hand... and on the other)! However, it seems that the unwillingness of President Buhari to devalue the naira, has hurt his economy severely. It is also clear from this article that there are still quite a number of structural challenges Africa has to deal with in order to be able to tap into these opportunities. Some of them will be easier to tap into than others. Distribution channels and routes to market, as well as general infrastructure, will need to be addressed. Investors with a keen eye for the potential inherent in the opportunities will indeed be able to reap great rewards.

East Africa

- **Uganda:** Africa is stepping up its game by developing its own motor vehicle manufacturing sector. Uganda, Ghana and Nigeria have all developed home-grown transport solutions, frequently quite sophisticated. It shows upon the need for the development of the required professionals in the sector. Uganda's Kiira Motors has produced eco-friendly vehicles, including a two seater electric car, a five-seater sedan hybrid that uses both lithium batteries and gas, and a 35-seater solar-powered bus. Geographically, the market distribution of new car sales in Africa is uneven: 80% of new cars are sold in just 4 countries — South Africa, Algeria, Egypt and Morocco. The remaining 50 African countries in 2014 recorded less than 400,000 registrations for new car sales. It is in this environment that made-in-Africa auto makers are trying to compete. Kiira is not the only indigenous automaker making radically innovative vehicles in Africa. Ghana's Katanka Motors is taking on the dominant foreign brands and secondhand cars dealers. Nigeria's Innosson Vehicle Manufacturing Company has seen huge growth since its plant was commissioned in 2014. Kiira is banking their success on its plan to fill gaps in the African auto industry for vehicle financing and after-sales service and support. Production for export to the East African Community is a key ingredient of the growth plan for sales. The local industry needs to develop a critical mass of professionals in a wide spectrum of disciplines to sustain the industry. For more information, read [here](#).
- **CAS View:** It is refreshing to see Africa developing its own vehicle brands. They are designing and manufacturing innovative vehicles, such as electric cars, hybrids and solar-powered buses. This is an indication of the potential within Africa. The reality, however, is that for at least the medium term, the dominant global brands will continue to dominate. However, as Africa starts to develop and educate its own professionals in the fields of design, manufacturing, engineering and ergonomics, it will become more proficient in the development of its local vehicle manufacturing industry. In any case, even amongst the global brands we frequently see the global brands buying each other's experts. It will not be long before some or other African manufacturer does the same. Therefore, do not be surprised to see a strongly growing African vehicle manufacturing sector in the not too far distant future! The range of professionals required will hopefully provide an opportunity for locals to qualify themselves appropriately. This will help Africa to retain its high profile talent!

West Africa

- **Gabon:** Gabon diversifies its economy away from oil by focusing on developing palm oil plantations. It partners with corporates such as Olam to help them in this endeavour to also create jobs. Olam plays a significant role in not only the palm oil sector, but also rubber. It is also involved in developing an SEZ.

Gabon's government sees palm oil production as one of the best ways to tackle its terrible inequality. With its tiny population of 1.9 million people and huge oil wealth, it had a GDP per capita of \$8,300 in 2015, one of the highest in Africa. However, 33% of its citizens live below the poverty line, and unemployment stands at more than 20% – 35% among young people. The government hopes the plantations will create jobs in rural areas and help the country diversify away from oil. Diversification has become more urgent as falling oil prices have slashed Gabon's income, with a knock-on effect on the poorest citizens. Gabon's president, Ali Bongo Ondimba, sees foreign investment as key and has signed deals worth \$4.5bn with three Asian companies. One is Singapore-based Olam, which is developing 100,000 hectares of oil palm trees in Gabon. Olam has collaborated with the government to set up an SEZ, in a 40-60% PPP. Gabon has banned the export of raw logs to ensure materials are transformed in-country, to create more jobs. Bongo has also implemented a successful health insurance system for poor people, funded by a 10% levy on the turnover of mobile phone companies. Critics say that the diversification should have focused on food production, as most of Gabon's food is imported. For more information, read [here](#).

- **CAS View:** According to Trading Economics, Gabon has a GDP per capita on a purchasing power parity basis of US\$18832 (Dec 2015), which seems to be the highest in Africa. To still have a situation where 33% of the population lives below the poverty line, is somewhat bewildering. The economic growth rate of 4.2% (Dec 2015) is then clearly not inclusive, as the article correctly points out. Investments to stimulate growth and, very importantly, jobs, are crucial. Pro-poor policies are urgently needed. We once again see the high unemployment rate amongst the youth. This is an untenable situation. Africa must look at developing opportunities for its youth as a high priority! President Ondimba's initiatives will hopefully deliver the results. Olam is not only planting oil palms, but is also developing rubber plantations. All of this will hopefully deliver the necessary job opportunities and help to kick-start Gabon's economy. As it is, Olam has just been ranked number 23 on Fortune's Change the World list, which takes into consideration factors such as measurable social impact, business results and degree of innovation. Gabon could indeed hardly have done better in its choice of investment partner!

Southern Africa

- **South Africa:** Education in Africa is a major challenge, and a major driver of performance. In South Africa, private education is becoming a realistic and affordable alternative to public schools, as the latter is frequently perceived to be of poor quality. Curro's business model seems to be working well. Private education specialist Curro Holdings has the potential to operate 500 schools by 2030 – 5 times more than its current 110 schools on 47 campuses. The company would occupy 0.72% of SA's total school population. There are opportunities in the medium term and the demand remains high. International trends for pupils accommodated by private or independent schools is 20%, while SA is 5% to 6%. The demand for private education stem from the arguably poor state of public school education. Curro's EBITDA from schools increased by 27% on the back of a 16% increase in pupil numbers to 41 693. Curro has an offering for different affordability segments as fees range from R12 000 to R90 000 annually. Another growth avenue for Curro is the tertiary sector. Curro is considering offering degrees that are beyond teacher training, but it's a slow process because of the tough regulatory environment. For more information, read [here](#).
- **CAS View:** Curro has gone from strength to strength in its relative short history, due to the perceived poor quality of public schools at large. This is not true for all public schools, as there are many that are excellent. But of the more than 25000 schools in South Africa, unfortunately quite a number do not offer good quality education. The primary reason for this is the poor quality of many teachers. Unfortunately, the government has to take the blame, as it closed down teacher training colleges and mandated that teachers would be educated at universities. Many good teachers were also retrenched. A militant labour union also has to share blame as their threat to disrupt the education system should the government implement performance management systems, resulting in national policies which fell short of the aspiration of robust performance management. The result is a situation in which SA's education system ranks very low on the WEF's global competitiveness rankings. This is in spite of the fact that SA is one of the largest spenders on education when the % of GDP spent on education is taken into consideration. Hence the attraction of private schools such as Curro. It is clear that the demand is still far greater than the supply. Curro has been careful to provide good quality education, frequently at a lower price than good quality public schools. This situation is probably equally relevant for the rest of Africa as well.
- **South Africa:** Feeding Africa is a problem, especially in cities as uncontrolled urbanisation creates large numbers of unemployed people suffering from hunger. The article addresses urban agriculture as a remedy for unemployment and food, as well as a driver of entrepreneurship in general.

The Western Cape government will provide funding, training and extension services to individuals interested in starting home or community food gardens. The core objective is to improve food security among vulnerable families, but the benefits go far beyond that. Urban agriculture leads to higher employment. Household and community gardens often develop into small businesses and encourage entrepreneurship in trade. Basic business skills are transferable beyond small farming lots. Community food growers have personal contact with their clients and are able to get first-hand information on changes in demand. At a systems level, the food security of a city remains strong due to the diversity of planting and decentralisation of decision-making. Urban food producers live close to their clients and there is no need for complex and costly cold chains to keep the food fresh until delivery. Urban agriculture results in less fuel and emissions and reduces the load on the city's roads. It also leads to healthier diets and better nutrition as processed foods and carbohydrates are partly replaced with fruit and vegetables. Resellers and wholesalers will co-ordinate the production of small farmers and collectively market and sell their produce. The economy will grow from the bottom. For more information, read [here](#).

- **CAS View:** Food is a problem for many of the vulnerable families in Africa, not just in the Western Cape Province of SA. This initiative is therefore to be applauded. It does indeed lead to many entrepreneurial initiatives that not only feeds the population, but creates jobs. A good example of this is Espinaca Holdings, also known as the Spinach King. Lufefe Nomjana worked in a community vegetable garden and saw an opportunity to use spinach to enrich bread. He realised many Africans were obese, yet malnourished at the same time. He subsequently started a business baking and selling spinach bread and other spinach products. He now is an established business who supplies large food retail chains such as Spar and Pick n Pay in South Africa. He also has his own branded outlets. In the process he has created jobs at various places in the total value chain, from growing spinach, to baking spinach bread, to selling spinach bread, to delivering spinach bread. Many such initiatives could develop in various cities in not only South Africa, but also in the rest of Africa. It is this kind of innovation that Africa needs to address its various challenges. Lufefe has shown what one man with a dream can do! There are many Lufefe's in Africa. They just need the support to help them realise their dreams, for not only their own benefit, but for the benefit of their whole community! For more on Lufefe Nomjana, read [here](#). It is a fascinating story!