Africa: Digitalisation and internet connectivity have the ability to drive Africa forward. This would enable innovation, propel new business models and improve the delivery of public services.

According to the WEF, the rise of the Fourth Industrial Revolution (FIR) is adding intricacy to future economies and their employment outcomes. Digitalisation and internet connectivity have the ability to drive Africa forward. This would enable innovation, propel new business models and improve the delivery of public services. There are three aspects which need to be considered when it comes to Africa. 1) Africa must cultivate digital skills as part of transitioning its population from low-skill and low pay jobs to high-skill and high pay jobs, by developing future-ready curricula, with a strong focus on STEM education. 2) A key part of the FIR in terms of Africa would be that inclusive growth receives attention, using PPPs. There are three areas which African leaders need to delve into to deal with the new challenges while addressing inclusive growth – mobile-related technology, disruptions that effect manufacturing technology, and solutions suited to the African context. 3) Due to Africans being able to gain access to mobile-phone technology, it has equipped them with new tools for managing their businesses and households. In conclusion, Africa can use the FIR to become a full player in the world economy; however, it must be “impatient and ambitious” to achieve this goal. For more information, read: http://bit.ly/2y6tSEk.

CAS View: If this article describes the FIR authentically, it is clear that regions of Africa are already showing signs of an FIR footprint. The FIR, which in essence is about new rapidly changing technologies in many different fields, is not only a phenomenon of the developed world, but we do see it in Africa as well. East Africa with is digital footprint is a clear example. M-Pesa, M-Akiba and M-Kopa, are but 3 examples. There are various other examples. Tanzania and Togo, for example, have built a 3-D printer from e-waste. In Nigeria, we saw FarmCrowdy and quite a few others. This is by no means an attempt to say that Africa is at the forefront of the FIR. However, the signs are there. They can definitely embark on this journey to undergo the FIR, and use it to leapfrog various first and second industrial revolution era technologies. One aspect that must achieve more attention, is the education of its people. Another would be the pervasive availability of high speed bandwidth at low cost. In spite of the complexity brought about by the FIR, Africa will be a beneficiary should it manage the prevalent issues. It has the innovation potential to do just that. In Kenya, the Strathmore Business School has designed a course they call “Silicon Savanah: The Learning Journey.” African economies are not only “leapfrogging” certain technologies, they are applying digital technologies differently and create new solutions. Social innovations have disrupted whole industries in areas such as mobile financial services, e-education, the energy sector and e-health. Companies and individuals interested in this learning intervention are welcome to contact me.

Africa: Africa’s entertainment and media companies are changing how they compete and generate value, as the quality of their customer experience becomes their primary basis for strategic differentiation and revenue growth.

Africa’s entertainment and media companies are changing how they compete and generate value, as the quality of their customer experience becomes their primary basis for strategic differentiation and revenue growth. Total entertainment and media revenue in SA is projected to reach R177.9 billion by 2021, up from R132.7 billion in 2016. Internet access remains the key growth driver and will account for R27 billion of this increase. The fastest-growing sectors will be virtual reality (VR) and e-sports compounded annually at 72.6% and 39.6%, respectively. Companies must harness technology and data to attract, retain and engage users. Digital spend will continue to drive the overall growth. SA’s mobile Internet penetration is forecast to rise to 77.8% by the end of 2021 from 52.3% in 2016. Entertainment and media companies that have become accustomed to competing and creating differentiation, based primarily on content and distribution, need to focus more intensely on the user experience. Creating the most compelling, engaging and intuitive user experiences is now the primary objective for growth and investment strategies, with technology and data at the centre. Accordingly, companies will need to develop strategies to engage, grow and monetise their most valuable customers. For more information, read: http://bit.ly/2IA7V93.
CAS View: Various contemporary authors have started to concentrate and focus stronger on creating a customer value proposition for their selected customers. The various technologies mentioned above will eventually become a commodity. Internet access remains the driver of growth, but differentiation will eventually be attained by those companies that create true value, i.e. helping the customer to execute their jobs, relieve their pains and help them achieve unexpected gains. This is an ongoing commitment. The actual product or service eventually becomes a key resource. The technology is the enabler. But the unique customer experience is what will differentiate successful companies from also-rans. This must be built into the business model of the company. As must how the company aims to transform customers into evangelists, providing authentic and free marketing on behalf of the company. This cannot be left to chance anymore. The stakes have become too high to do that!

East Africa

- **Ethiopia:** Making more UK companies aware of business opportunities in Ethiopia, is among the things that should be done to increase the trade volume between the two countries.

According to the UK Trade Envoy to Ethiopia, Jermy Lefroy, the Ethiopian government has set a sustainable framework to encourage business investments in infrastructure and cheap power supply. Lefroy appreciated its commitment towards encouraging and attracting trade and investment through expanding industrial parks, abundant infrastructure and cheap power supply. Making more UK companies aware of business opportunities in Ethiopia, is among the things that should be done to increase the trade volume between the two countries. It is about exports and imports and UK companies going to Ethiopia to invest to create jobs and enhance the trade and investment ties. Ethiopia’s commitment towards more productive agriculture and the development of agro-processing industrial parks are ‘absolutely key’ to its economic development. The UK will assist Ethiopia in the development of energy. Ethiopia can export power to a much greater extent and earn foreign currency. Infrastructure on railways and new airports, services, food processing and packaging are the other priority areas of cooperation for the two countries. The UK could learn a great deal from Ethiopia’s experience of how they had developed their country in a very short period of time. For more information, read: [http://bit.ly/2xwZRgg](http://bit.ly/2xwZRgg).

CAS View: Ethiopia has become the poster country of Africa. China, Japan, the USA, South Korea, Morocco, and now the UK, to name but a few, have all embarked upon investment strategies to create and expand their footprint in this country in the Horn of Africa. It speaks volumes of the Ethiopian government’s policies and implementation plans to grow its economy by industrialising its various industries, as well as growing its manufacturing sector. What Ethiopia therefore has done and is doing, is a matter of record. What will change are the companies that will que to invest in this country. And this que will increase as time goes by. All these investments are welcome as there is still a lot of work to be done. There should be no doubts about that. One factor that requires continuous attention is the issue of political stability.

West Africa

- **Nigeria:** Agency banking, or branchless banking, has been suggested as one of the methods to scale up financial inclusion in Africa.

Konga, through its KongaPay service, will now be offering a distributed banking service to its customers in Nigeria. Using what is known as a ‘Banking as a Platform’ model, KongaPay will use the technology from RedCloud (UK company) to enable the banks to offer innovative digital financial services via its rapidly growing merchant network. This also presents merchants with other benefits such as increased revenues, as they essentially act a bank’s agent. With this implementation, KongaPay will facilitate the initiation and completion of transactions in a seamless manner to accelerate distributed banking in Nigeria. Nigeria will realize its considerable untapped potential for this new kind of technology platform as it enables banks, retailers, and agents to work together to deliver financial services at scale. Agency banking, or branchless banking, has been suggested as one of the methods to scale up financial inclusion in Africa. For more information, read: [http://bit.ly/2wk06Y6](http://bit.ly/2wk06Y6).
CAS View: The idea behind agency banking is that a financial services institution will utilize a network of local merchants and shopkeepers, in areas where they don't have a presence. In turn, these merchants and shopkeepers provide basic financial and banking services. Typically, the agents are equipped with Point of Sale machines that securely connect to relevant bank accounts. Given the general lack of banking infrastructure in many African countries, especially in the rural areas, this agency banking model could work quite well. Even in countries such as South Africa, which has a strong banking infrastructure, agency banking works well as it provides customers with access to cash, and keeps the customers out of the banks, thereby reducing the operating model costs. For retailers and merchants, it reduces the amounts of cash they need to bank while bringing potential customers into their stores. And as stated, it has massive potential to increase the level of financial inclusion.

Southern Africa

- **Angola**: President Lourenço said he wanted to attract more foreign investors to Angola and improve the business environment by changing its visa policy, improving governance and diversifying the economic base, beyond oil.

The new President of Angola, João Lourenço, was sworn in on 26 September in a difficult economic and financial context for the country, which is expected to force major changes in its economic policy. Lourenço stated he is willing to reopen negotiations with the IMF regarding an “Extended Credit Facility,” which would allow him to benefit from IMF financial and technical assistance, as well as improving the transparency of the country’s public finances and enhancing its external reputation by opening doors to assistance from other Western countries. Among the main measures expected in a future agreement is the devaluation of the kwanza. A Government Action Programme should, in the short term, impose austerity at a government level, which will have a much smaller number of ministers compared to the previous government. Lourenço said he wanted to attract more foreign investors to Angola and improve the business environment, by changing its visa policy, improving governance and diversifying the economic base, beyond oil. Planned privatisations will involve “those state companies that are dead weights for the country, which are not profitable, which are costing the state coffers a lot of money.” For more information, read: [http://bit.ly/2yqz9D0](http://bit.ly/2yqz9D0).

CAS View: The saying goes, “new brooms sweep clean.” President Lourenco seems to want to clean up his government’s act. Some of his intentions might just remain that, e.g. imposing austerity and improving governance. With ex-president dos Santos still in the wings, it might be more difficult to change than would otherwise be the case. His intention to diversify the economic base beyond oil, however, is essential. Angola derives more than 90% of government revenues from oil exports. This is one of the main reasons for its current economic malaise. It has a massive agricultural potential, which should be tapped into as a matter of urgency given the job creation potential and the opportunity for import substitution. It will be interesting to see how Angola will progress on his intention to privatise state-owned enterprises. Will this be a transparent process where the winning bid will be an honest one, or will it be a case of enriching the ruling families to an even greater extent? There is no doubt that SOEs in Africa frequently struggle with their productivity and governance. Privatisation is therefore a good road to travel, provided it is done properly.

- **Zimbabwe**: It is possible for Harare to recover materials and energy from the waste, using technology to generate about 18000 MWh per year from the organic fraction alone.

It is possible to generate about 18,000 MWh of electricity from organic matter per year in Harare alone. The 18,000 MWh of electricity is sufficient for 300,000 people with continuous supply of electricity per year. It is possible to recover materials and energy from the waste using technology to generate about 18000 MWh per year from the organic fraction alone. Harare’s municipal solid waste comprises a number of components, including plastics, metals, wood as well as food, which is the organic part of the biodegradable portion. Instead of heaping waste material at dumpsites, recovering energy from waste material is ideal in minimizing the volume of refuse at dumpsites. There will also be a good incentive to clean up Harare’s environment and collect refuse. Zimbabwe should not only focus on renewable energy. It should also expand it to alternative energy sources to replace fossil fuels. For more information, read: [http://bit.ly/2fxnyy7](http://bit.ly/2fxnyy7).
CAS View: Here we have an addition to a very small group of countries that have reached out to waste-to-energy (WTE) plants. Africa’s cities create a lot of waste. Many of them are running out of landfill sites to accommodate this waste. In spite of the underlying potential, few of them have adopted WTE plants. Why? It defies logical reason. Singapore has recently commissioned its 6th WTE plant, awarding the contract to Hyflux and Mitsubishi. We find Reppie in Addis Ababa building a WTE plant. Then we have a plant in Cape Town generating gas from its WTE plant. Now we have Zimbabwe declaring that it is possible to generate 18,000 MWh from Harare’s waste. Hopefully this newfound knowledge will lead to actually building the plant! Africa must start acknowledging the general thoughts about the potential of WTEs and embrace it to deal with their waste and electricity problems! Stop reinventing the wheel by doing research. Ask the experts who have already built them. WTEs work and create many spinoffs: more jobs, more energy and less waste in landfill sites!

- **South Africa:** South Africa faces a number of risks that its government needs to address as a matter of urgency.

According to the WEF, South Africa has reflected global concerns in citing unemployment as its largest risk. Unemployment or under-employment was cited by 58.8% of business leaders as their top risk, followed by failure of national governance (50.6%) and state collapse or crisis (41.2%). Looking at the survey results, it appears that in the medium term, business leaders are focusing on social and economic risks, but shouldn’t underestimate the potential impact of environmental and technological risks as well. Although executives in most regions named unemployment and fiscal crises as the top two threats, cyber risks and asset bubbles came out top for executives in the US, as well as the South African and Pacific regions. Companies need to analyse how these threats could impact their operations and take appropriate risk mitigation and resiliency measures. In SA, the following are the top risks: unemployment or under-employment; failure of national governance; state collapse or crisis; water crises; and failure of critical infrastructure. For more information, read: [http://bit.ly/2fyAaFg](http://bit.ly/2fyAaFg).

CAS View: All five the top risks for South Africa can, unfortunately, be ascribed to poor leadership. One commentator referred to the politics of greed, nepotism and a weak rule of law. All of these with the compliments of Jacob Zuma. Another stated that “corruption has emerged as the most problematic factor for doing business in SA.” When you have a president that even his alliance partners, such as the SACP and the trade union federation, COSATU, call a thief, and demand that he be recalled as president, it is clear that South Africa finds itself in a sad situation. The importance of the ANC elections in December 2017 are increasing every day. The current 2 strongest candidates, Cyril Ramaphosa and Nkosazana Dlamini-Zuma, enjoy such support that the election of either could split the party. A vote for Dlamini-Zuma is seen as a vote for the continuation of the status quo, and will be unacceptable for an increasing number of people. Given the potential of a party split, it is just possible that a less prominent candidate might become a less dangerous option for the ANC. Zweli Mkhize, current Treasurer-General of the ANC, is actually positioning himself as such a compromise candidate. He might not be as acceptable as Cyril Ramaphosa to a lot of people, but will definitely be seen as more acceptable as Dlamini-Zuma. In the meantime, South Africa’s risk profile is deteriorating daily!

- **Mozambique:** According to the British Minister for International Trade, the UK’s exit from the EU is an opportunity to invest more in Mozambique and will not have a negative impact on bilateral trade relations.

According to the British Minister for International Trade, the UK’s exit from the EU is an opportunity to invest more in Mozambique and will not have a negative impact on bilateral trade relations. Minister Liam Fox said that what worries potential British investors is the guarantee of macroeconomic stability and a stable legal framework. The SADC Sugar Producers Federation last week in Maputo expressed concern about losing the main sugar market in the EU after Brexit as the UK absorbs more than half of the output of the countries in the region. Fox reassured these countries that the UK will maintain the existing business relationship, despite being subject to further negotiations. The UK was willing to support Mozambique in the investigation of undisclosed debts amounting to US$2 billion, that are the basis for the freezing of international aid to Mozambique. Fox visited Maputo to review trade agreements between
the two countries, given the departure of the UK from the EU. For more information, read: http://bit.ly/2xBtXwU.

CAS View: This newsletter has 2 articles with the UK as one of the players. The first is the UK in Ethiopia and now we have the UK in Mozambique. What seems to be happening, is that the UK is beginning the process of creating bilateral agreements in anticipation of Brexit. While a couple of commentators had said that Brexit would be good for Africa, others were more negative on this issue. However, these 2 examples show that Africa has potentially a lot to benefit directly from the UK tying up bilaterals with countries on the continent. It is also not just Mozambique who will be receiving good news from Fox, as the article speaks of Southern Africa and Fox refers to “other countries in the region”! The UK is indeed mobilising African countries as its future trade partners.