

Mega Trends in Africa





“Africa Rising: Open for Business.”

About the Research

Our team set out to provide our current and future clients a thorough perspective on where the world's largest economy will develop to over the coming years. In the course of our research we found a tale of both extreme promises as well as specific challenges facing Africa that for a forward thinking company will provide an incredible depth of analysis to help shape an Africa strategy

ELEVEN Team
Members Involved

1400 Hours of
Research

218 Pages of New
Content



Topics We Cover in MTA

The Future
of....



	Connectivity
	Bricks and Clicks
	Future of Banking
	Future of Trade
	Social Trends
	Economic Trends and Investment Pool
	Urbanization
	Infrastructure
	Beneficiation
	Transportation
	Healthcare
	Energy
	Smart Cities

Future
Convergences
in Africa

2025 MTA Select Headlines

Africa's Internet economy (as measured by total ICT spending) to be \$315 billion in 2025. The Internet economy will account for 7% of the continent's gross domestic product (GDP).

Africa to be the 2nd most fastest growing region by 2025. GDP to Reach \$4.5 trillion by 2025.

Nearly 520 million Africans will be transacting money through their mobile wallet and this would lead to a market value of \$438 billion.

An estimate of \$180-\$230 Billion infrastructure investment required by 2025, private investment to constitute about 60% of infrastructure investment by 2025

Mobile transactions to account for 75% of all banking transactions by 2020 with value of transaction expected to reach \$300.00 billion

Energy demand will grow to 1080.8 MTOE in 2025 which more than double the current demand

With nearly 286 million population aged between (15-24 years), Africa will house the youngest population by 2025

An investment of \$490 billion in generation infrastructure required to generate around 1869 TWh of electricity.

How Will the Findings Help Me?

1. **Take a long term view** on your African commitment and strategy. Future gains for first movers are worth the investment.
2. **Understand new business models** that evade you but not others
3. **Be customer-centric.** One size does not fit all. Be creative.
4. **Diversify your opportunity portfolio.** Africa offers multiple value chain options
5. **Become vigilant** if you have a sub optimal innovation pipeline
6. **Do your homework** if you have no plan for the changing face of Africa

60%

**Percentage of companies
that will not see a ten
year anniversary**

Our clients understand that effective
Mega Trend planning supports
long term **sustainable** growth
and drives a culture of **innovation**

This acts as a form of **insurance
policy** against future disruptive
events that could impact growth both
positively and negatively

Example Content



Rise of Connected Devices in Africa

Africa to have 4 billion connected devices by 2025

1.47 billion

Population

4 billion

Connected Devices

600 million
internet users



41%

Penetration

18 Mbps average
internet speed by 2020

1.23 billion
cellular
connections



83%

Penetration

More than half a billion
smart phone users by
2025

956 million
mobile
broadband
connections



65%

Penetration

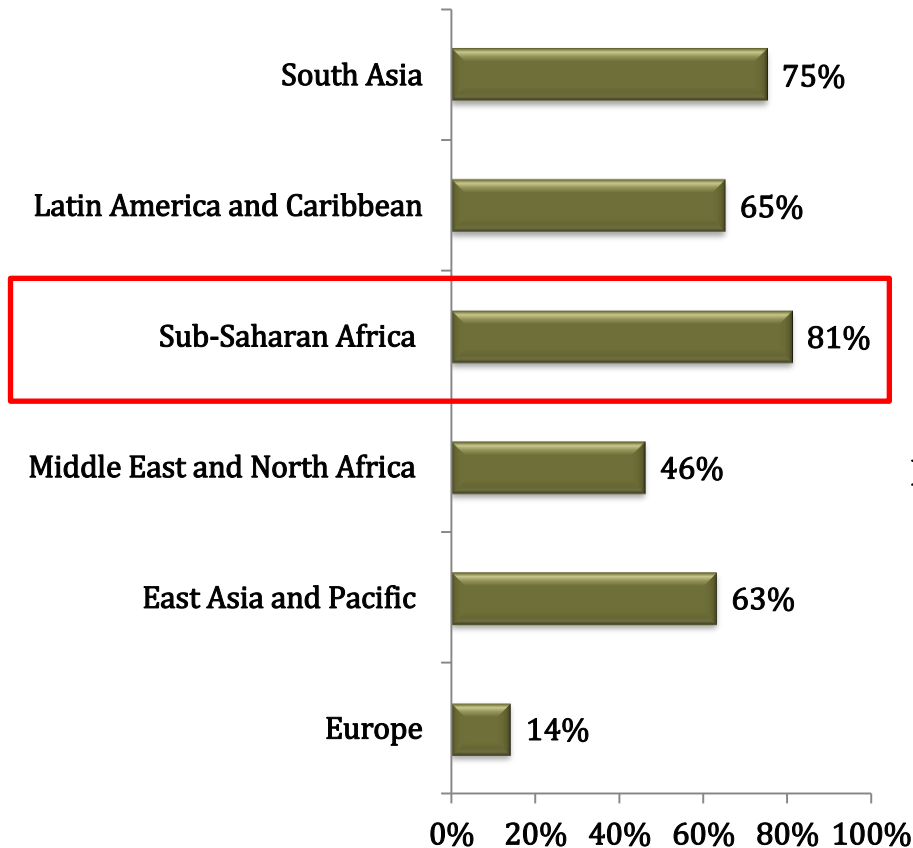
38 Exabytes a month
mobile data traffic by
2020

Source: ITU, OECD; Frost & Sullivan

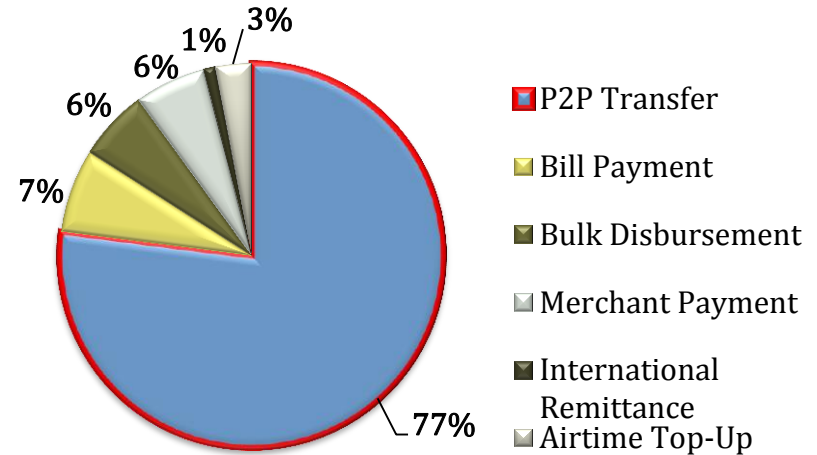
Mobile Money Boom in Africa

Mobile money services is now available in more than 80% countries in SSA. Domestic P2P transfers will continue to dominate the mobile money product mix.

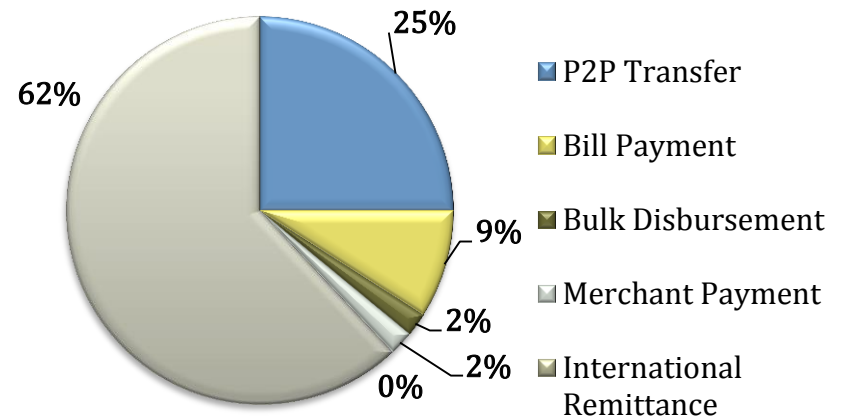
Percentage of Developing Markets With Mobile Money Per Region, 2014



Mobile Money Product Mix, Africa by Value, 2014



Mobile Money Product Mix, Africa by Volume, 2014



*The product mix is mainly based on M-Pesa services across SSA and excluding cash-in and cash-out

Source: GSMA, Frost & Sullivan

Virtual Currency Boom in Africa

Bitcoin in Africa is the preferred mode for remittances and has the potential to revolutionize the remittance market in next 5 years

Remittance Business in Africa, 2014

Over **30 million** Africans living in the diaspora, sending home **\$65 billion** per year



\$1,200 average annual remittance fees per migrant

Remittance fees alone represent a huge opportunity in Africa's largest economies

Country	\$ million	% of GDP (2013)
Algeria	5339	4.7
Egypt	3637	3.4
Morocco	6116	10.7
Nigeria	5397	4.7
South Africa	1489	0.6

Virtual Currency Offers a More Competitive Service Than Traditional Money Wiring Ways

Traditional Wire Transfer



\$200 wire to Kenya from US

Transfer Using Bitcoin



Remittance Fees



US\$24 (wire to Kenya from US)

US\$6 (wire to Kenya from US)

Transaction Time



Up to 5 days

Same day

Currency Exchange Rates



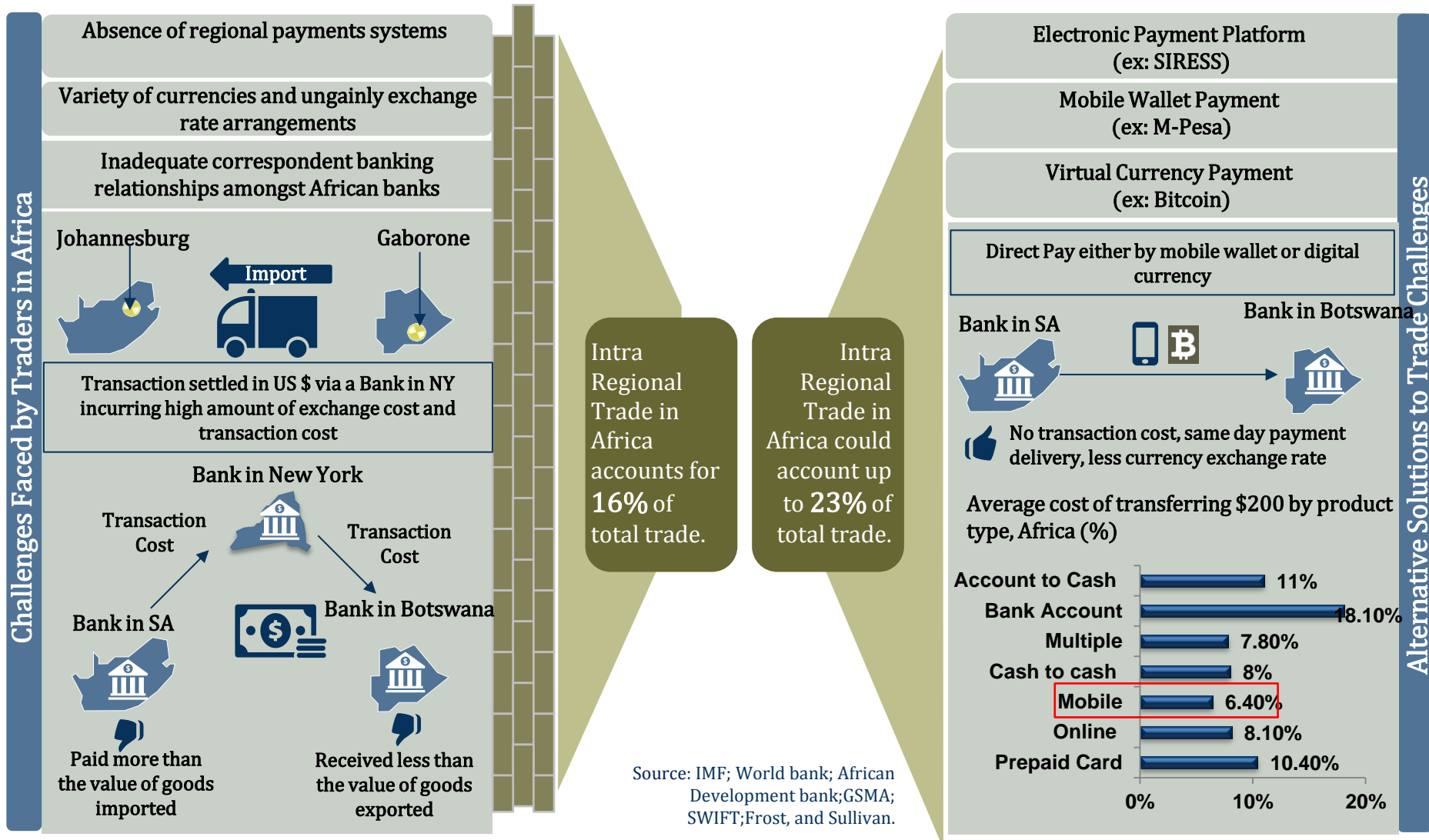
Market rates

Lower than market rate

Image source: Dreamstime; Wikimedia Creative Commons; Source: Frost & Sullivan

Digital Payment System- Solution to Financial Encumbrances

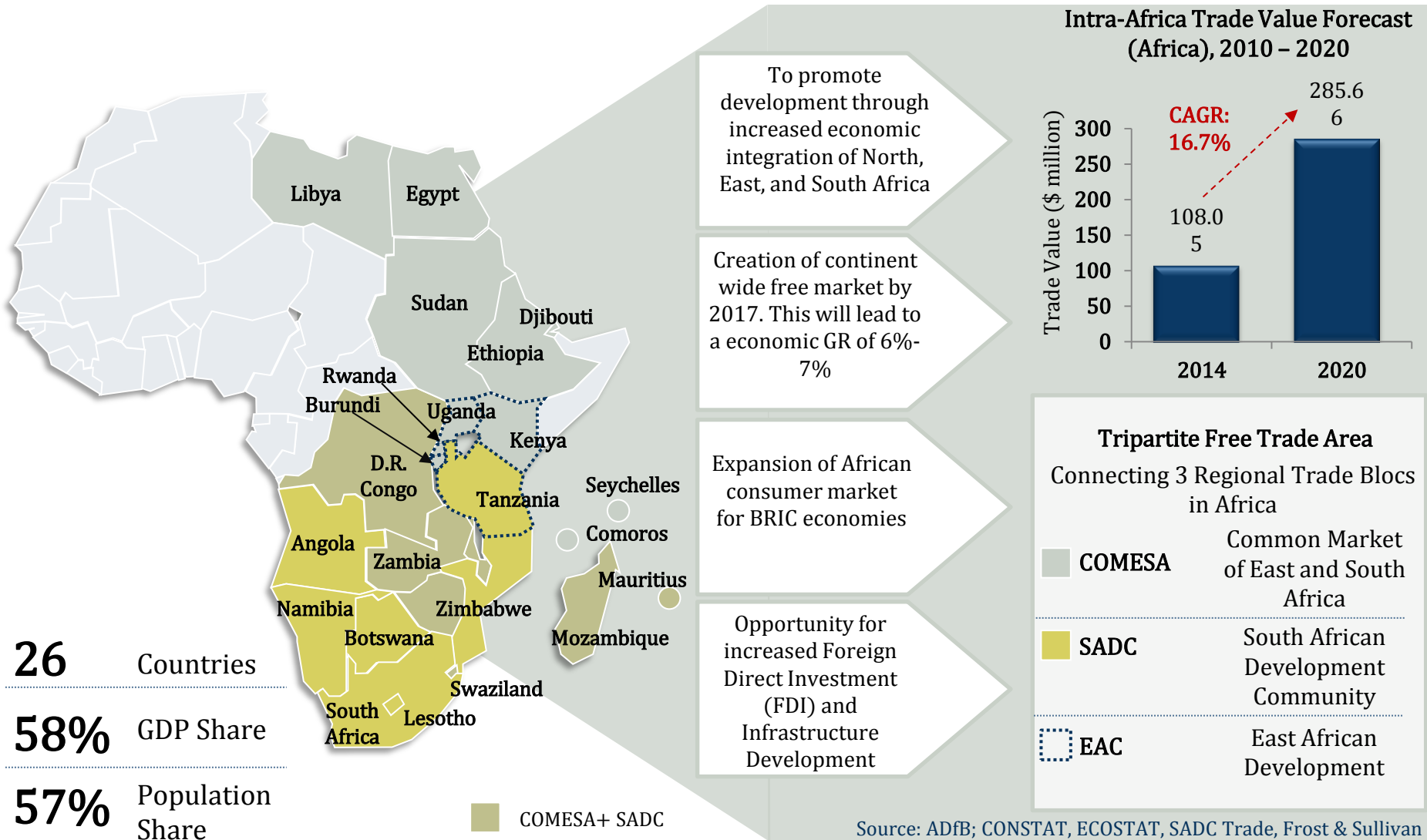
Digital Payment System could lead Intra African trade to account nearly 23% of total trade. At 6.4%, mobile payment has the lowest transaction cost, hence mobile wallet could dominate the trade transactions in the next decade



Source: IMF; World bank; African Development bank; GSMA; SWIFT; Frost, and Sullivan.

Free Trade Zone: New Avenues for Inter- Regional Trade

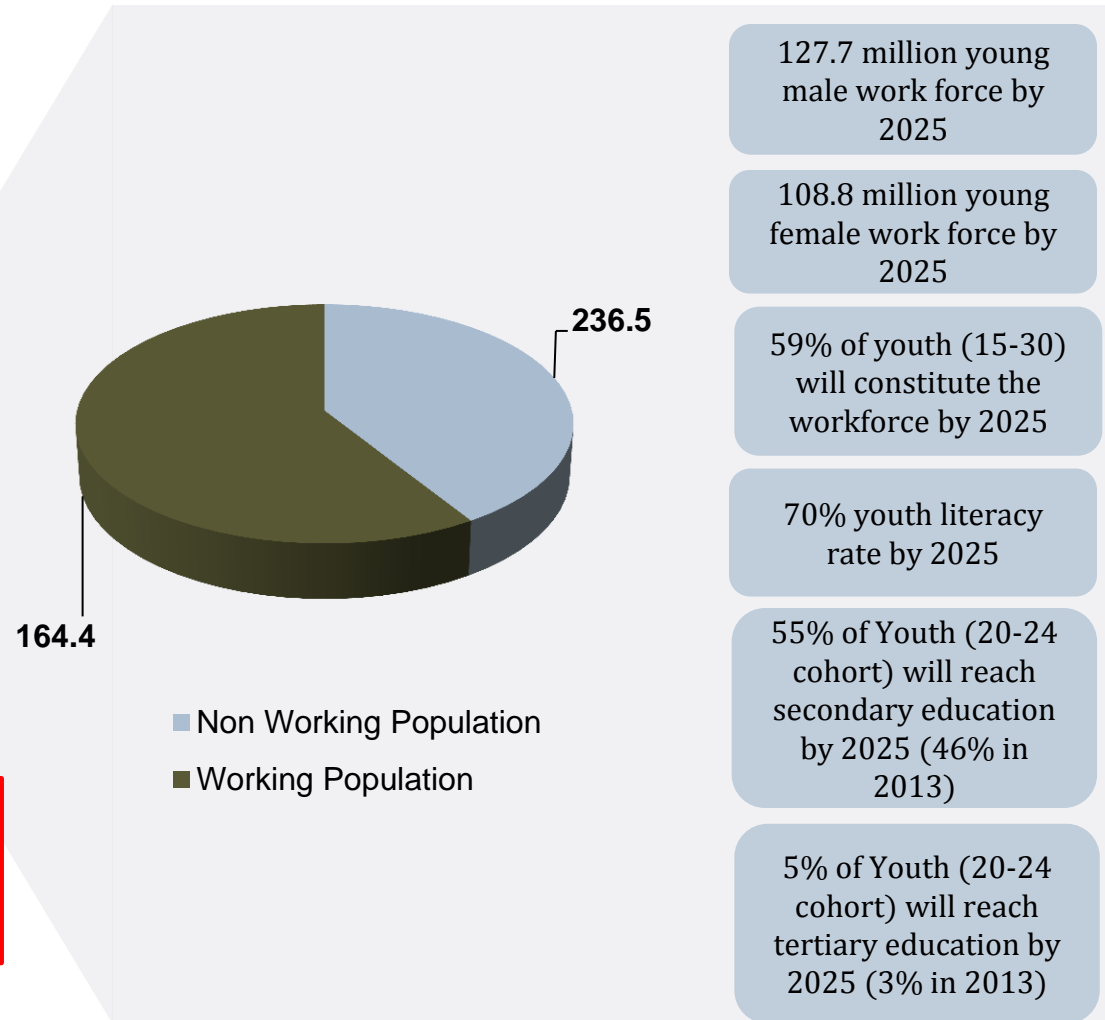
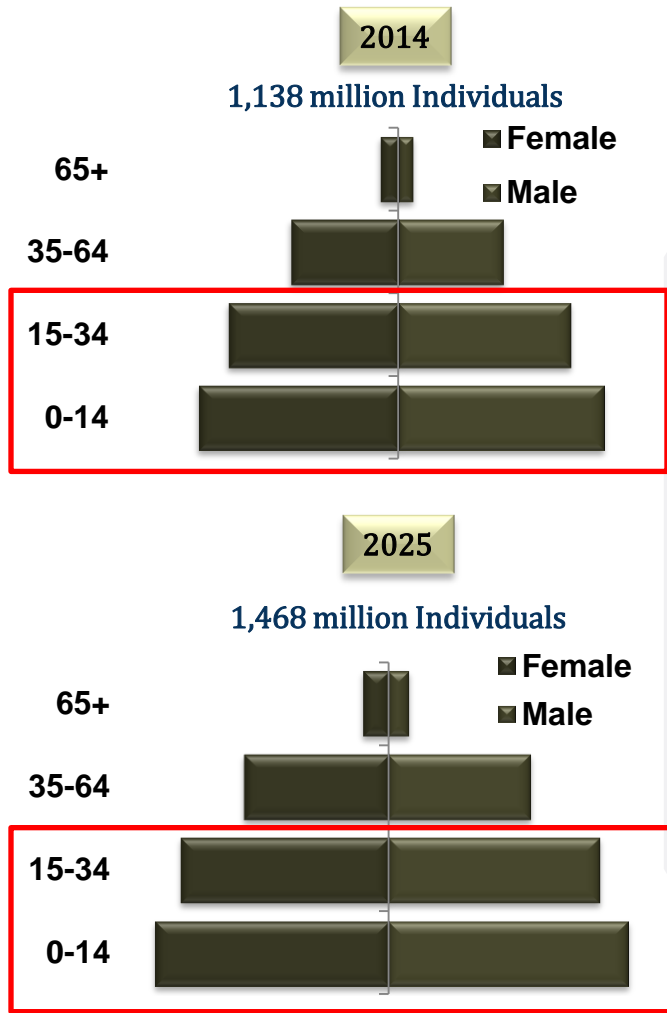
The Proposed Free Trade Area (T-FTA) between SADC, COMESA and EAC is expected to drive Imports by an average of 60% by 2020



Youth Bulge in Africa

More than half of African population will be below 30 years of age by 2025 and nearly 47% of them to will enter working age population

Total Youth Workforce (15-30), Africa, 2025



Source: OECD, UN Population Database, 2014 revision, Frost, and Sullivan.

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 - Virtual Currency Revolution in Africa

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Mega Trend 3: Future of Banking

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Summary : Africa in Next 10 years

Conclusion: Mega Trend Matrix

Pricing & Additional Information

Pricing Options

Level ONE:
Full Report / One Hour Phone Briefing

\$6000

Level TWO:
Full Report / Two Hour In Person Presentation + Q&A

\$15,000

Level THREE:
Full Report / Executive Phone Briefing / Two Day Africa Strategy Workshop

\$45,000

Level FOUR:
Full Report / ALL Mega Trends Content Subscription for 12 months
/ Two Day Trends Strategy Workshop (on area of choice)

\$75,000

Visionary Innovation Subscription

Subscription Package or Independent

Visionary Content

Mega trends reports, market insights, and articles

Visionary Briefings

Tailored thought-leader speeches and keynote discussions

Visionary Workshop

Interactive session uniting company focus on innovation

Visionary Challenge

Client-specific consulting project centered on a defined question

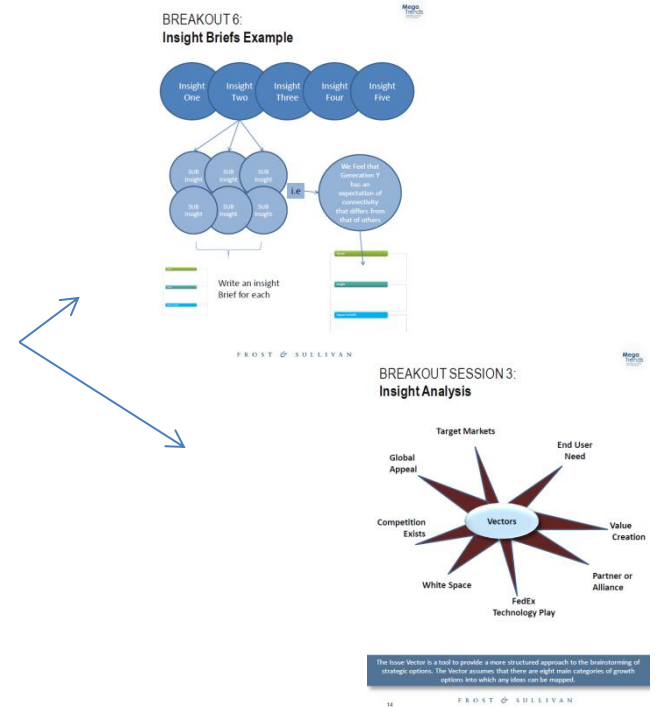
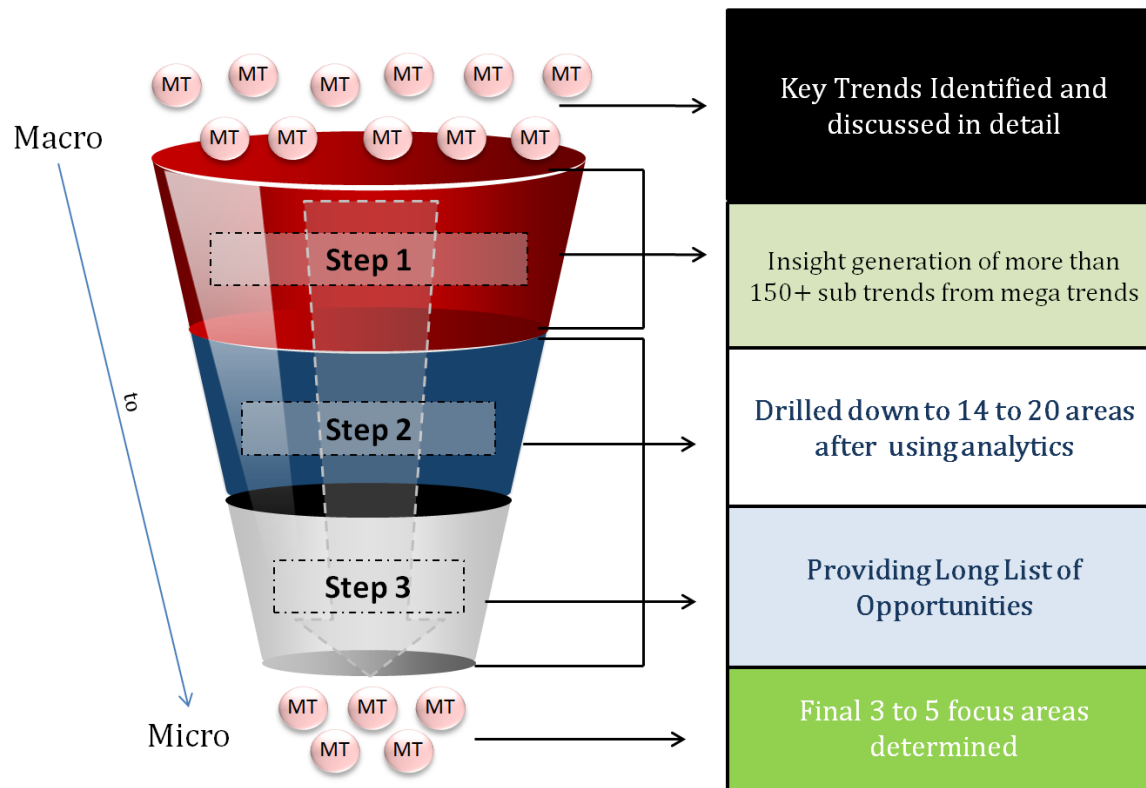
Note: Any stage can be requested individually by our clients. Subscription to Visionary Content is not required, but recommended.

A selection of our clients:



Workshop Overview

The two day workshop uses a process we call “Macro to Micro”. The process is designed to immerse our client into an areas such as “Global Mega trends”, “Mega Trends in Africa ” and use a filtering process to determine specific outcomes that will drive growth




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