

# Africa's consumption revolution

An increasingly affluent and aspirational young cohort in Africa is driving a consumption revolution across the continent, increasing demand for consumer goods, technology and services. In parallel, young business leaders from the Gulf Cooperation Council (GCC) countries are starting to look beyond the Middle East for business opportunities.



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In a new report, [Next-generation Africa-GCC Business Ties in a Digital Economy](#), sponsored by the Dubai Chamber of Commerce and Industry, *The Economist* Intelligence Unit (EIU) explores the perspectives of young entrepreneurs and investors in Africa and the Gulf Cooperation Council (GCC) countries, on building business relationships and spotting opportunities in each other's markets.

The study found that:

- Awareness of the opportunities for Africa-GCC business links is limited, but growing.
- Consumers, not commodities, are powering growth sectors in Africa.
- Growing self-confidence is boosting the potential for homegrown solutions and South-South collaboration.
- African entrepreneurs are turning to the GCC for more than just capital.

Africa remains, on the whole, a lesser priority market compared to the Middle East and Asia for GCC countries. However, experts claim that understanding of the potential power of Africa-Gulf market links is starting to tick up. There is room for growing business ties between the two regions if key hurdles can be overcome, including volatile currencies, reluctant investors, the need to identify the right partners, and data gaps.

While the GCC is largely viewed as a source of capital by African startups, GCC investors and businesses have a lot more to offer in the way of knowledge-sharing on operational and legal strategies.

The Gulf is also increasingly becoming a destination for African products and services, particularly in the retail and food sectors. Increased access to the latest technologies enables entrepreneurs in both regions to develop products and services that meet the needs of their local and regional markets, driving homegrown solutions.

Melanie Noronha, editor of the report, said: "The growth of the middle class is driving demand for consumer-focused products and services in a diverse set of sectors including retail, food, finance, education, healthcare and energy. This provides a host of new opportunities for regional investors, especially from the GCC, which have traditionally associated

Africa with opportunities in commodities and infrastructure.”

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