

2020 - Africa's year for digital disruption

A number of macro trends are delivering unhindered economic progress on the African continent driving momentum and positioning Africa as a significant component of the world market. Global CEOs are increasingly turning to Africa for growth opportunities, as the continent's young population and rapid rates of digital adoption offer immense potential. But for the logistics industry, barriers remain, including patchy infrastructure and the lack of high-quality warehousing

 By [Geoffrey White](#) 14 Jan 2020



Image source: [Gallo/Getty](#)

To fully comprehend what will happen in Africa over the next year and beyond it is important to understand the convergence of a number of elements that, collectively, are aligning and driving the momentum across the continent.

Energy resources

Africa – South, East and West – will become a major energy producer in the next decade, spreading the producer countries beyond the historic centres in Nigeria, Angola and Equatorial Guinea to the majority of countries. New discoveries in Mozambique and Tanzania will establish East Africa as a world-leading source for liquefied natural gas (LNG).



TRENDS

#BizTrends2020: The future looks bright for African oil & gas

NJ Ayuk 6 Jan 2020

World-class developments in the west in Ghana, Côte d'Ivoire, Mauritania, Senegal and the DRC will ensure Africa becomes not only fuel self-sufficient but also a major net energy exporter. The hundreds of billions US dollars in foreign direct investment that the industry is attracting and the jobs and prosperity it will generate are game-changers for the continent.

Agriculture

Africa has 60% of the world's naturally irrigated, but unused, arable land. With a global population growing from six billion to nine billion by 2050, and the upscaling of subsistence diets, African agricultural output will become an essential supply source to meet the expanding demand for food.

Africa is expected to be a globally significant producer of agricultural outputs, and the world will be dependent upon it.



YOUTH MARKETING

Generation Z will transform African business

3 Jul 2018



Demographics and the impact of youth

Today, Africa has a population of 1.3 billion people, 75 % of whom are under the age of 30. By 2050, the population is forecast to reach 2.5 billion people and Africa will have a workforce that is larger than those in China and India combined. This youthful population is well-connected and open to change: there are already 800 million cell phone users on the continent, twice as many subscribers as the USA.



MARKETING & MEDIA

Enabling youth entrepreneurship in Africa

Lamin M. Manneh 7 Dec 2018



These increasingly dynamic and consumption-hungry young people are rapidly migrating from an agricultural subsistence lifestyle to burgeoning African cities looking for jobs and prosperity. Africa will have six megacities of more than 10 million people by 2030 and cities like Lagos and Kinshasa will be amongst the largest cities on the planet.

This growth in mobile connectivity and access to information has helped to drive growing sophistication in the working population resulting in a flourishing democracy, a significant reduction in conflict and a quantum leap in political stability.

Adoption of technology

One of the most encouraging and enabling trends on the continent is the ease with which Africa is not just adopting but inventing digital disruption.



TRENDS

#BizTrends2020: Mobile-first generation is driving the financial services industry

Berniece Hieckmann 9 Jan 2020



For example, as a result of the number of unbanked in the population, combined with minimal government bureaucratic interference, Africa was able to become a global leader in mobile banking with m-pesa, the Kenyan based mobile banking system that has now been licensed and replicated from Africa into the developed world. Fifty-seven percent of the world's mobile banking wallets in use globally are in Africa. The introduction of 5G in Africa is well underway, with global providers such as Huawei, Nokia and Ericsson no

rolling out contracts.

The continent has an expanding myriad of technology incubators, sponsored by global players such as Google and Reuters who recognise the impact such a young, open-minded population can bring. Senior executives from Microsoft, Facebook, Alibaba, Alphabet, Airbnb and Twitter are regular visitors, not only focusing on market opportunities but also on accessing the spate of innovate start-ups coming out of the continent.

E-commerce in Africa is nascent, but the acceptance by big business of the unstoppable speed and scale of the potential rollout of e-commerce is already having an impact on the retail decisions being made across the continent and changing the plans for the coming decade to align with the e-commerce opportunity.

Warehousing: An essential infrastructure platform

From a logistics perspective, the on-going urbanisation of the continent, combined with the associated rising prosperity in the population and burgeoning middle class, is predicted to drive a significant increase in the demand for goods.



WAREHOUSING

Warehousing: A foundation for economic growth

Geoffrey White 1 Nov 2019

Fast-moving consumer goods consumption is forecast to grow exponentially and efficiencies that are being adopted in the market – from new technology disruptors and one-stop borders, to the opening of trade via initiatives such as the African Continental Free Trade Agreement – are the much-needed foundations for rapid growth. The commercialisation and the economic development of the continent will need infrastructure to support the progress.

Commercial real estate, such as international standard warehousing, is an essential part of the infrastructure required to meet this new demand. Whether for storage, distribution, e-commerce fulfilment centres, packaging, local manufacturing, oil and gas services or agri-processing, the demand for warehousing infrastructure to support this new growth from both the expanding local SMEs and the global corporates now moving into Africa is demonstrably strong and underserved.

Ecommerce fulfilment requires four times as much warehouse capacity than traditional logistics, and the majority of warehouses available in Africa do not match the requirements of the market.

Lands of opportunity

Africa is perfectly aligned with the Fourth Industrial Revolution (4IR) and "internet of things" (IoT) technology and is readily embracing global trends towards local batch manufacturing and 3D printing solutions.

As a result of these dynamic demand shifts on the continent, engagement in Africa is becoming an important part of the agenda for an increasing number of global companies in their next decade of business planning.

This is driven not only by the opportunities created by such a large, young population and their freedom and ability to adopt changes rapidly, but also by the contrast of many traditional markets that have ageing, declining populations, are set in their ways and are in no real hurry to adopt new and disruptive technology.

While drafting their strategic plans for the coming decade, global CEOs are focusing – many for the first time – on how to engage with the African opportunity in the hunt to deliver growth.

ABOUT GEOFFREY WHITE

Geoffrey White, CEO of Agility Africa, is an expert on infrastructure development, retail supply chain and investment in Africa. Agility, a leading global provider of integrated logistics and related infrastructure, has \$5.1bn in revenue, 26,000 employees, and offices in more than 100 countries. He is a member of the Agility Strategic Advisory Board as well as an active member and contributor of the forums Africa regional business council.
View my profile and articles...

For more, visit: <https://www.bizcommunity.com>