

The Annual Debate 2017 | Africa: The Next Chapter | Critical Points

Keynote 1 – Developing Tomorrow's Leaders

- **60%** of Africa's population are currently aged **25 and under** and by 2024, Africa will be the **most populous continent** in the world.
- It is thus vital to provide the **educational opportunities** to harness the talent and vitality of Africa's youth as well as meet their growing aspirations.
- The **Africa Leadership University** is a new network of institutions across the continent to do just this and train Africa's future leaders in the right skills and self-confidence.
- 5 points distinguish this initiative: a focus on **skills**, not academic theory; strong links with **potential employers**; an emphasis on instilling an **entrepreneurial instinct**; using **technology**; and encouraging students to **reflect** on Africa's challenges.
- The Africa Leadership University encourages students to solve Africa's challenges, and capture the continent's opportunities.

Debate 1 – Africa: a Continent for the 21st Century?

- Some believe that 2016 saw the **evaporation of the 'Africa Rising'** narrative: low commodity prices led to overall **growth being 1% below** population growth.
- However many smaller African countries, particularly those who are less commodity-dependent, continued to enjoy growth of around 5%.
- 2017 and 2018 may see growth of around **2-3%**.
- Governments must recognise that population growth and urbanisation are urgent challenges. **'Connectivity'** in cities must be improved.
- There has been a **trend towards better governance**, which was epitomised by the transfer of power in Nigeria.
- Ultimately, key to the future is changing **Africa's dependence on commodities**, which is not sustainable. Economic **diversification** is a priority.
- **Regional integration** is also vital to ensure **intra-continental trade** can increase.

Keynote 2 – Africa's Economic Outlook

- Although the fall in commodity prices has now bottomed out, the continent urgently needs to promote economic diversification.
- This will not be easy in light of Africa facing the risk of a **collapse in investment** considering the **United States' position** with the continent and the results of **Brexit**.
- US engagement with Africa is not at all certain and the Trump Administration has threatened to cut back aid flows – the United States provides **16%** of all Official Development Assistance (ODA) to Africa.
- **Brexit** will create **uncertainty** for Africa, with Anglophone Africa having to develop a new trading relationship with the UK.
- The **raising of interest rates** by the Federal Reserve Bank may signal the end of the low interest era.
- China's **economic** slowdown only bodes further worry for the continent.

Debate 2 – Finance & Investment: New realities post ‘Africa Rising’

- There is a perception of a **lack of finance** for Africa, but this may be **illusory**. The real problem may be a **lack of bankable projects**.
- There needs to be two types of investment: official flows to **fund infrastructure development** and private sector flows to **finance commercial opportunities**.
- Africa is winning only a **small slice of international capital** because of **perceptions**, some outdated, of high risk.
- **Currency instability** still remains a serious investor concern.
- African **domestic savings** have traditionally been disappointing.
- Africa needs **mature political leadership** if it is to attract more capital.
- Governments must promote **innovation** and encourage **local enterprise** to scale up. Closer regional collaboration is also a necessity.
- Investors in Africa must take the **long term view** and build **partnerships** with local expertise.
- Despite the challenges, the long-term outlook for Africa is promising.

Keynote 3 and Debate 3 – Africa’s Technology Revolution

- There is no shortage of **initiatives** to introduce new technological advances to Africa. The **telecoms and solar power sectors** have been particularly successful.
- However **digital infrastructure** is wholly inadequate. Only **30%** of Africans have access to the internet which is particularly **acute** outside the urban hubs.
- Cost is also a constraint. In OECD countries, digital connectivity can be acquired for around **2-3% of disposable income**. In Kenya, for example, it costs around **14%** of disposable income.
- However the internet will bring **major economic benefits** to Africa in the medium term. Innovative entrepreneurs will step up to fill perceived gaps in the market.
- **Market regulation** remains a challenge. It will be important that regulatory policy is informed by practitioners and not dreamt up by officials and academics.
- The fact that regulation is often **‘catching up’** is sometimes helpful since it means that **innovation is not stifled** in its infancy.
- African entrepreneurs need to take the lead in addressing the **‘digital divide’**.
- **Governments** would do well to consult regulators from developed markets when creating new regulatory frameworks.