Global Trends - Wine Industry Key Elements

Africa Research and Trends

Recent research conducted by Frost & Sullivan identified Africa’s top 10 Economic Power Houses by GDP in 2025 – Nigeria, South Africa, Egypt, Algeria, Angola, Kenya, Ethiopia, Morocco, Libya and Ghana.

Key recommendations for growth in Africa include:

1. Take a long term view on strategy and commitment.
2. Do not do it alone – collaborate and build relationships.
3. Manage actively and do not take things for granted.
4. Look for “unmet needs”, be creative, be customer-centric and remember one size does not fit all.
5. Exercise vigilance and be ready to deal with many problems.
6. Do research and homework; there is no room for gut feel.

A few Africa trends in a Nutshell

1. Internet, Mobile and Big Data Revolution
   • 80% mobile phone penetration by 2020.
   • Mobile transactions will account for 75% of all banking transactions by 2020.
   • Online B2C commerce will account for nearly 60% of the region’s online shopping.

2. Urbanization
   • An expected urbanization rate of 70% by 2025 will increase economic activities.
   • The rise of Mega Slums will challenge innovative marketing strategies.

3. Future of Trade
   • The proposed Free Trade Area (T-FTA) between the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) is set to drive imports by an average of 60% by 2020.

4. Social Trends - Demographics
   • Young working age population.
   • The rise of a larger affluent class.

5. Infrastructure
   • Unmanned air cargo travel connecting towns and villages.
Comment: Political stability and economic growth go hand in hand. The current refugee problem involving many knowledgeable people, and the largest incidence of internal and regional conflict globally, damper the positive expectations and complicate long-term decision making.