



# Blockchain and it's leapfrog potential

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# Is Africa the next EU (hopefully without Brexit)...

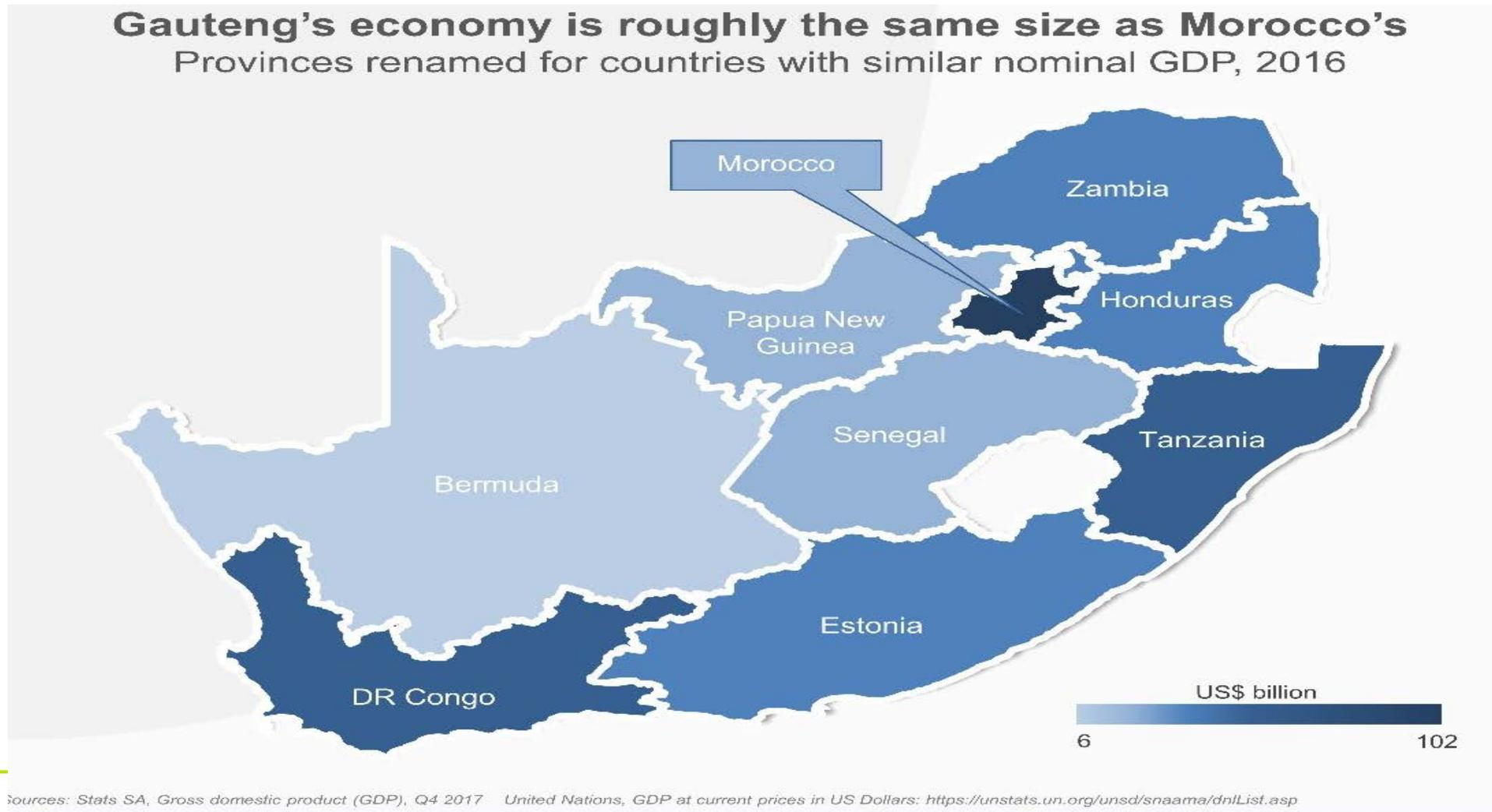


**Towards One African Market**



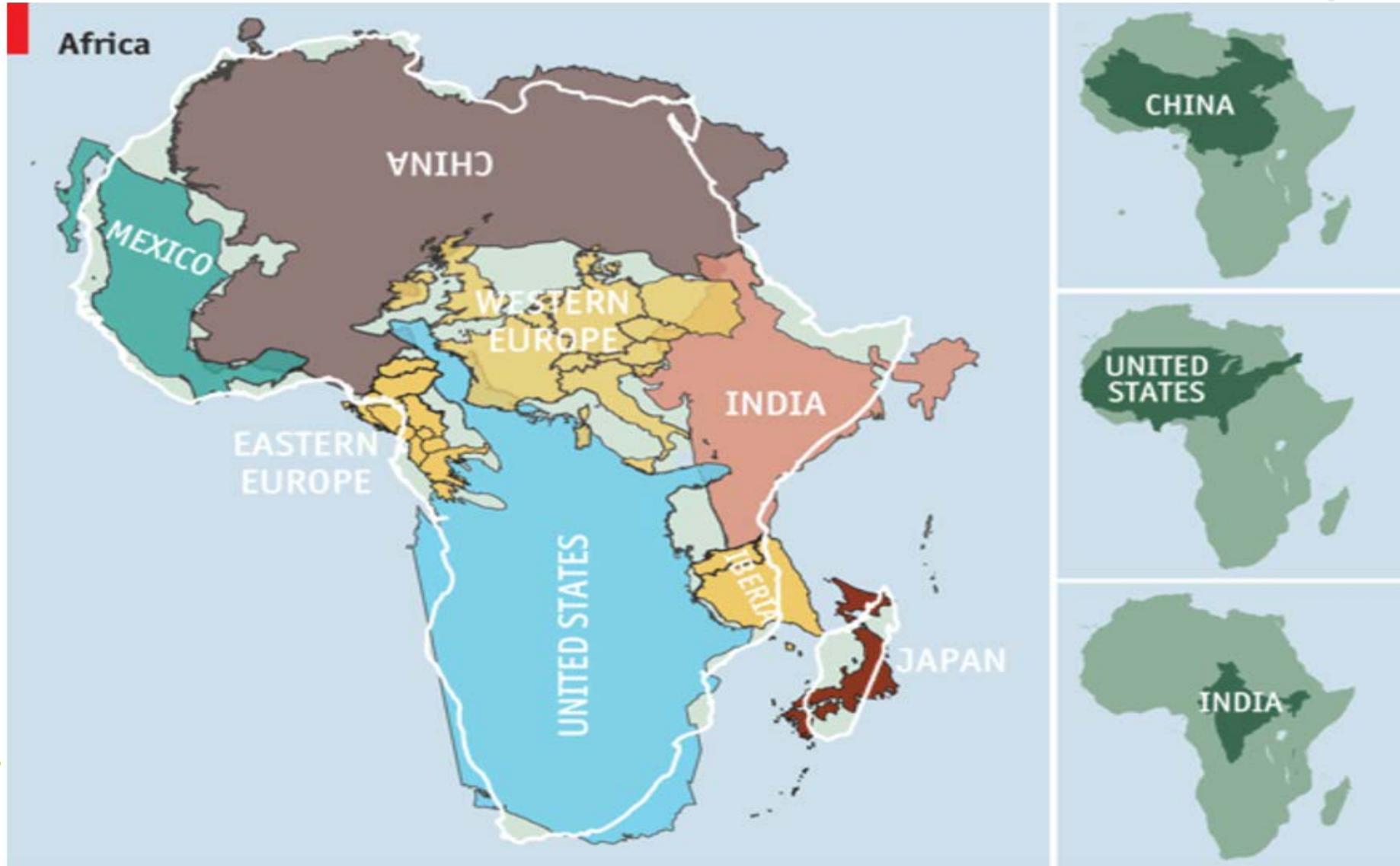
# African countries – some perspective

**Gauteng's economy is roughly the same size as Morocco's**  
Provinces renamed for countries with similar nominal GDP, 2016



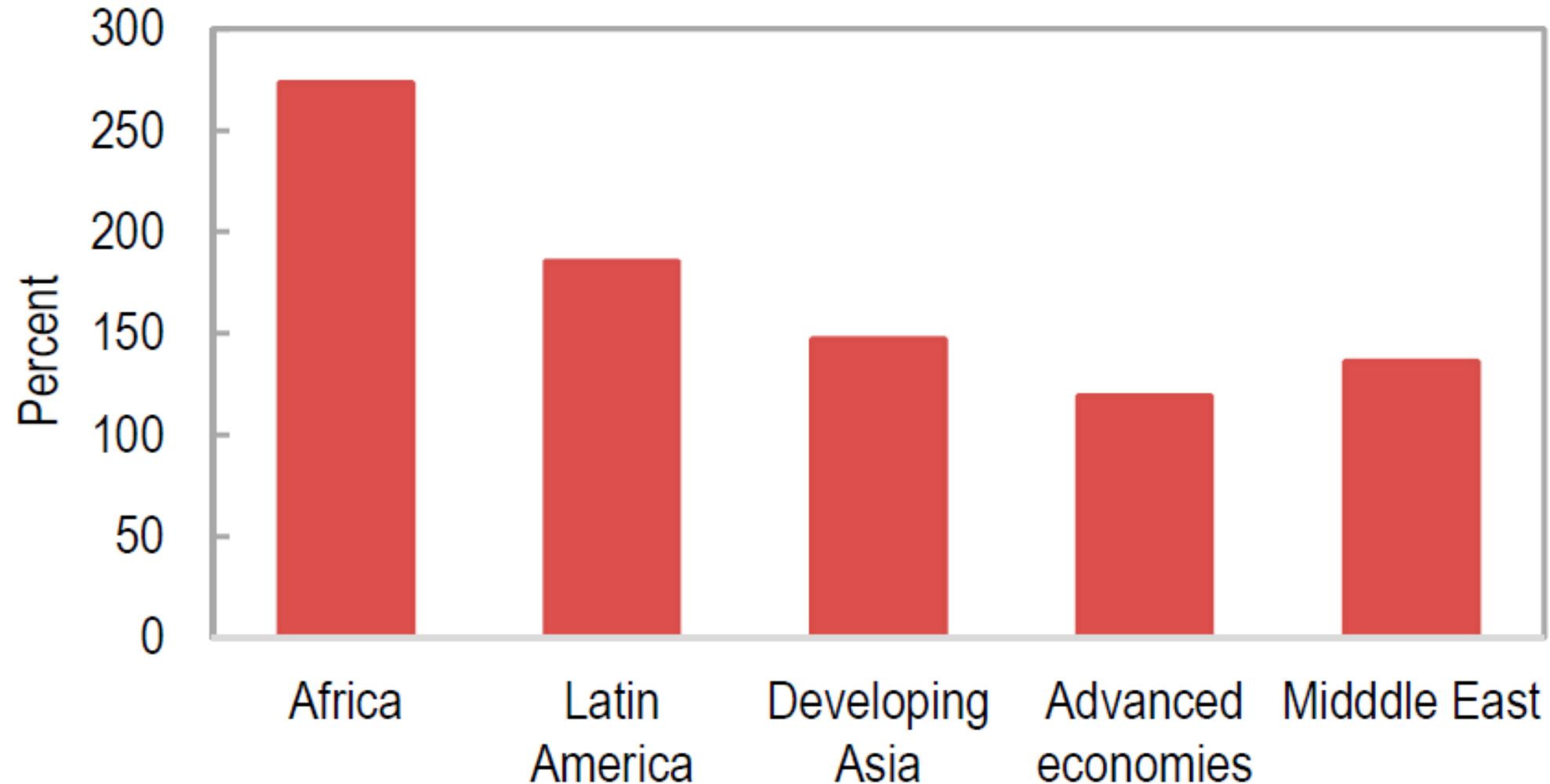
Sources: Stats SA, Gross domestic product (GDP), Q4 2017. United Nations, GDP at current prices in US Dollars: <https://unstats.un.org/unsd/snaama/dnlList.asp>

# The size of Africa – some perspective



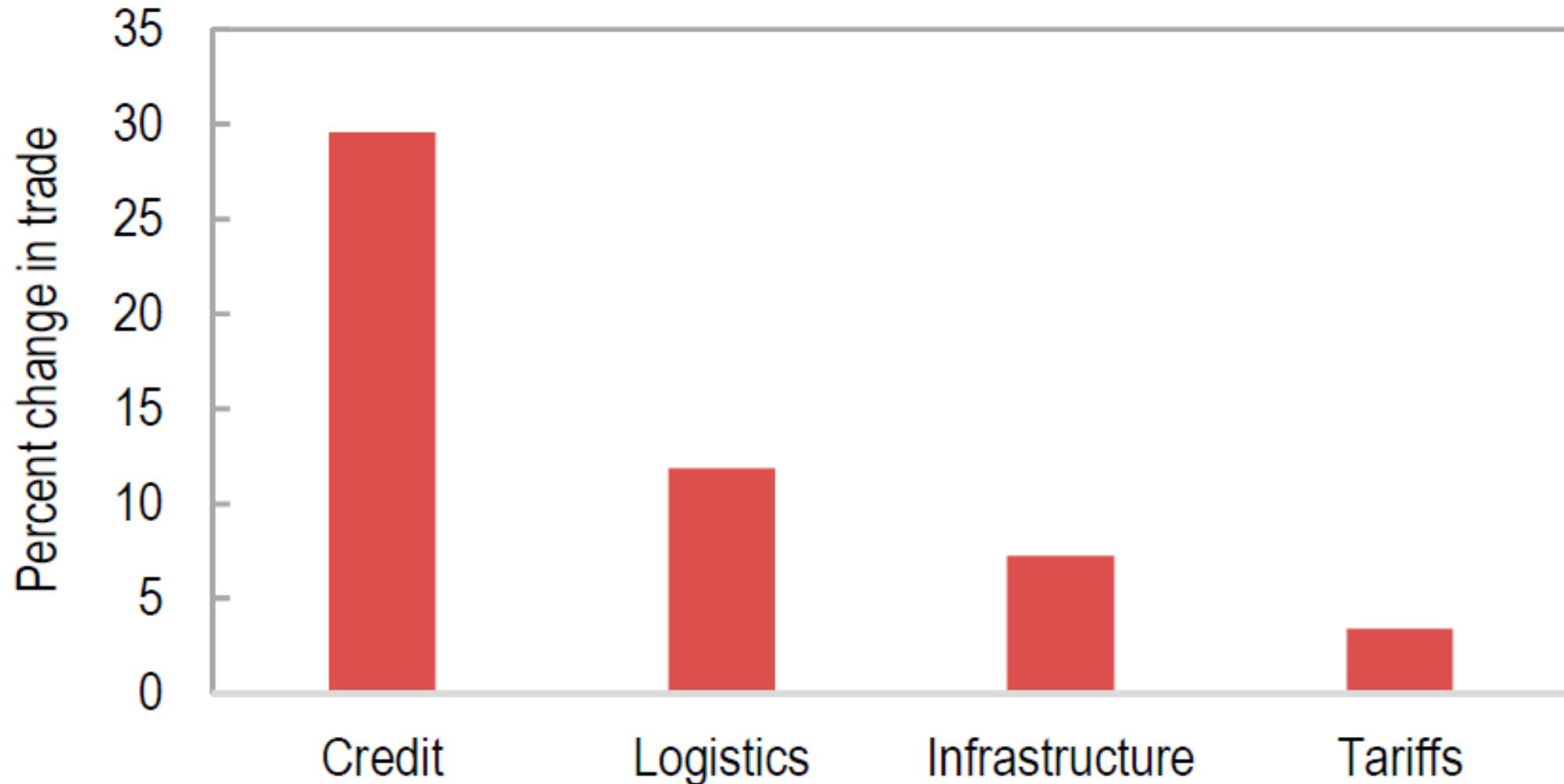
# AfCFTA – Nontariff Trade Costs

*(Tariff equivalent)*



# AfCFTA – Potential Increase in Regional Trade

*(Percent change in trade flows)*



# Growth and Innovation requires change

***Everybody wants growth, but nobody wants to change***

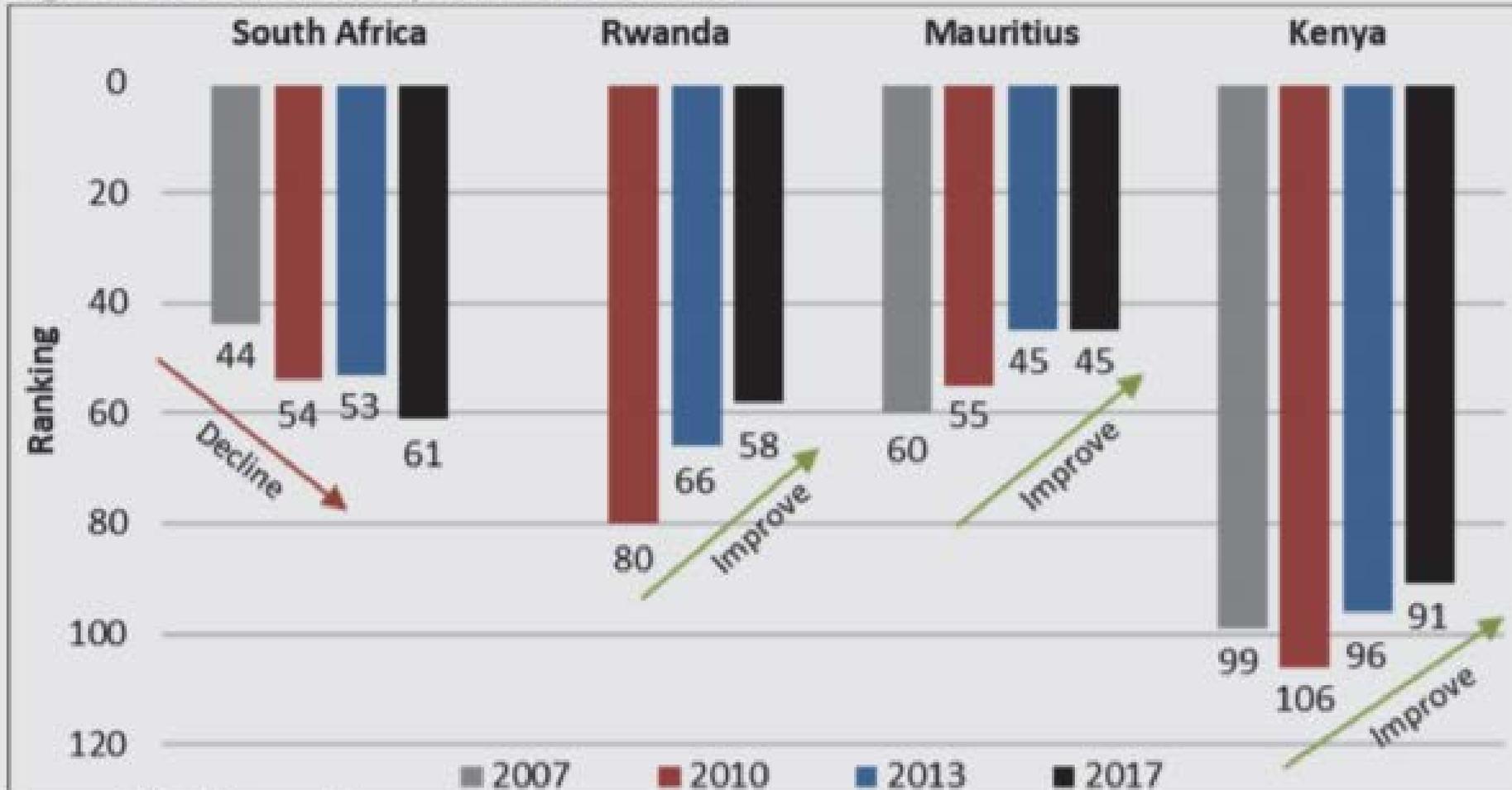


**Blockchain –  
Does it have  
the potential  
to effect the  
change &  
leapfrog**



# Some Success in Africa

Figure 2.1 Global Competitiveness Index



Source: Global Competitiveness Reports

# RATIONALE FOR CHANCE & LEAPFROG IN AFRICA

- Of all the emerging technologies making their mark across Africa at the moment, **blockchain doesn't seem the most revolutionary**
- Compared to some of the weird and wonderful connected devices introduced as part of the trend towards Internet of Things (IoT) or the science-fiction-meets-reality potential for Artificial Intelligence (AI), it is no real surprise that blockchain hasn't quite captured the general public's imagination in the same way
- But scratch beneath the surface and what blockchain represents is so much more: it is a **'truth engine'**. The information inside a blockchain can't be changed or modified. **Like an elephant, it never forgets**
- To the business community, blockchain represents a new opportunity to improve processes and drive efficiency. **And its timing couldn't have been better and the impact for SME will be transformative**

# RATIONALE FOR CHANCE & LEAPFROG IN AFRICA

- In Africa, blockchain also presents **another platform for digital empowerment especially for SME and the young population based in Africa**
- In a region of fragmented data, complex supply chains and inefficient trade, the technology has the power to transform the way businesses share information, track assets and deliver their services
- It's ability to **deliver transparency across transactions** and services also makes it an ideal fit for governments and their delivery of public services, which for too long have found themselves susceptible to fraud and corruption
- What we discover is a real appetite for public and private organizations alike to **seize the blockchain opportunity** while it still is in its nascent stages.
- **There is much work to be done.** There are no global standards or regulations in place for the technology, and new skills are required in the workforce to support its rise
- One thing is for sure, as the global discussions around blockchain technology continue to grow - **Africa will be part of it**

# BLOCKCHAIN – THE LEAPFROG ENABLER ?

- *“ Africa has the levels of innovation and entrepreneurship needed to harness Blockchain effectively. ”*

*Dirk Kotze, Partner: Enterprise Solutions at Deloitte Financial Services*

- Blockchain appears to be taking off in Africa faster than people expected according to Kotze
- “You now see significant organizations like the South African Reserve Bank dabbling with it, and there’s quite a bit of investment driving it,” he says

# BLOCKCHAIN – THE LEAPFROG ENABLER ?

- Kotze says: “Over the next five years, blockchain technology could **upend how businesses and marketplaces operate completely**
- Even more interesting, though, is the impact on the broader business processes that intersect with finance such as supply chain management
- Consortia of retailers, producers and freight providers are looking **at collaborating** to ensure the integrity or authenticity of products such as organic products, jewelry, prescription drugs and replacement parts
- In the **healthcare sector**, organizations might track deductibles and out-of-pocket expenses across providers, insurance and prescription plans, pharmacies, life science companies, device manufacturers, patients, and employers.”

# BLOCKCHAIN – THE LEAPFROG ENABLER ?

*“ If countries don’t begin to build new capabilities and capacities for these technologies then they will be bystanders.” Dr. Ndemo, Chairman of Kenya’s Blockchain and AI Taskforce*

- Dr. Ndemo sees blockchain as having an immediate impact in several key areas over the next five years
- One example he believes blockchain can be instrumental in improving **food security** by using the technology to tighten supply chains. In Sub-Saharan Africa, an estimated 50% of fruits and vegetables, 40% of roots and tubers and 20% of cereals, legumes and pulses are lost before they even hit the market. Blockchain solutions can drive transparency across a supply chain and be used to track and trace food products – potentially helping to solve post-harvest losses

# BLOCKCHAIN – THE LEAPFROG ENABLER ?

- Likewise Dr. Ndemo sees blockchain being vital tool for the logistical industry, where it can be applied to **drive transparency and improve tracking**
- This in turn will help stimulate intra-regional trade from amongst the current lowest level in the world
- To enable this we need better connectivity, traceability to improve the flow of goods and materials and also reduce the cost

# BLOCKCHAIN – THE LEAPFROG ENABLER ?

- **Uganda** is another African country that is mobilizing its public and private sectors to take advantage of the blockchain opportunity.
- In May 2018, the country was home to a major new blockchain conference that brought together academia, policymakers, entrepreneurs and industry leaders from across the region and globally.
- Organised by the **Blockchain Association of Uganda**, the 2018 and the 2019 **Africa Blockchain Conference** identified a number of feasible projects that are currently in development of deployment phase

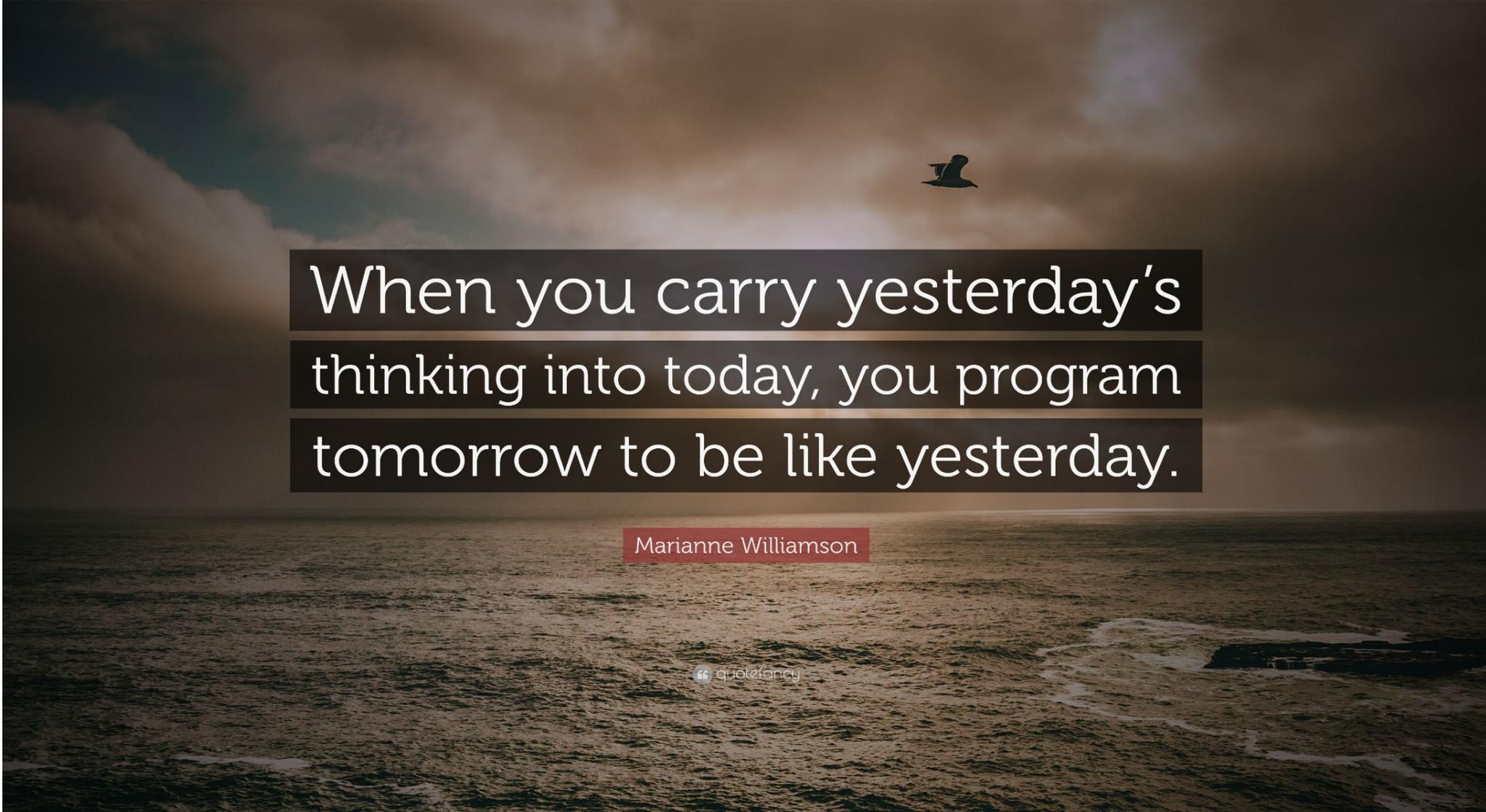
# BLOCKCHAIN – THE LEAPFROG ENABLER ?

- The **BitHub Africa** incubator was launched in **Kenya** in 2016 and is dedicated to the development of blockchain technologies in Africa
- To date, three blockchain projects have been
- BitHub is increasingly including developer training in its incubation curriculum, and also encourages knowledge sharing and collaboration between experienced blockchain programmers and start-ups in the incubator

# BLOCKCHAIN – FORGE OUR OWN DIRECTION ?

- Blockchain-focused incubators are beginning to appear across the region, with **South Africa-based Blockstarters** launching earlier this year
- The organisation is already incubating two blockchain companies, and is in the process of onboarding a number of other startups as operations ramp-up.
- According to Kreaan Singh, Partner at Blockstarters, blockchain is Africa’s chance to **“forge our own direction”** in the tech landscape.
- “There is a huge opportunity to adopt blockchain technology to solve many of Africa’s technological needs. The most obvious is remittances and supply chain, which is clear by the concentration of companies in that sector,” says Singh.
- “Blockchain technology also creates an opportunity for African companies to solve challenges in a unique, African way, and not simply ‘leapfrog’ existing solutions.
- **Leapfrogging suggests moving in the same direction - it is time to forge our own direction. Decentralized technologies such as blockchains are perfect for this.”**

# THANK YOU



When you carry yesterday's  
thinking into today, you program  
tomorrow to be like yesterday.

Marianne Williamson

“ quote fancy

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