Africa's drums pick up Rhythm out of darkness

A look at the world's future frontier

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Abstract

Africa has undergone rapid changes; better political landscapes and economies attracting more foreign investments. The effect is higher employment rates, improved disposable incomes and an expanded consumer basket. Foreign brands have led to increased competition and improved delivery to the consumer.

A relatively young population and disease reduction due to improved social rights make Africa favorable for a category looking to secure future volumes.

Internet penetration for Africa by far exceeds the global average rate, laying ground for online marketing.

Marketers need to focus on these trends which affect the marketing mix.

Africa is still marred by several challenges; corruption and poverty, likely to hinder achievement of some of the growth goals; BUT Africa remains optimistic – a factor that will see the goals achieved

Introduction

Africa's history is rich and full of glamour. First, records date back to the 18th century with the notebooks of geographical explorers that 'discovered' the land that was associated at the time, with black people and slave trade. Back then, changes and events happened over very long periods. For instance, the building of Mombasa to Kisumu railway (South Africa railway too) took over a decade to complete, which today with the new technology would take probably a quarter of that time.

Though, as time has it, big bounds of changes in Africa started in mid 19th century when the Africans began the quest for independence - self governance from colonial governments that had created systems distorting the rich cultural diversity that Africa flourished in valleys and mountains across lands. It was a time of great expectations and excitement for young scholars who had schooled and acquired education mainly from missionary schools. There was a widespread belief that freedom from colonial rulers would bring progress and prosperity. Many Africa countries gained independence around this time; 40s, 50's and 60's and for the sake of standardization one would argue they are peer and share birthdays.

Unfortunately, in many countries, the unifying force of independence movements gave way to one-party states as African governments sought to centralize political and economic power. Development stagnated, deadly conflicts raged, the rule of law and human rights were neglected.

Half a century ago, Africa stood at cross-roads. For many reasons, some which have their roots in Africa, others outside, Africa took the wrong path. But today, a new wave of optimism has taken hold. Africa is once again being seen as a continent of opportunity - the last emerging investment frontier. This optimism is seen in the number and diversity of businesses and countries congregating to invest in the continent.

> *… It is an optimism based on strong economic growths which even the global financial crisis was only able to reverse briefly. And increasingly, this growth is being used to diversify economies and invest in the bedrock of successful societies – in education, in health and vital infrastructure.*
>
> *Kofi Annan; February 12th 2011 – key speaker at Exeter College*

We examine some of the evidence of why this is so – Africa being the next frontier.

Africa’s Top Growth Drivers

Economic vibrancy

There is definitely new sign of fast and commercial vibrancy in Africa that is giving it a healthy economic pulse.

Real GDP rose by 4.9% a year from 2000 through to 2008, more than twice its pace in the 1980s and ’90s.

Table 1 Global growth forecast (percent year-over-year annual growth rates of real GDP)

Region/country	2009	2010	2011
World (WEO PPP weights)	–0.9	4.5	4.6
Advanced economies	–3.2	3.2	3.5
United States	–2.4	4.0	4.1
Japan	–5.2	2.7	3.0
United Kingdom	–5.0	2.0	3.0
Canada	–2.6	3.6	4.0
Euro area	–4.0	2.0	2.7
Germany	–4.9	2.1	2.7
France	–2.2	2.6	2.8
Italy	–5.1	1.7	2.2
Other euro area	–4.0	1.7	2.9
Other advanced economies	–1.3	4.6	4.2
Emerging-market and developing countries	2.0	6.0	6.1
Asia	6.8	8.2	8.0
China	8.7	10.0	9.0
India	6.5	7.0	8.0
Other emerging Asia	2.7	5.0	5.5
Latin America	–2.4	4.2	3.6
Brazil	–0.2	5.2	4.5
Mexico	–6.8	4.5	4.0
Central and Eastern Europe	–4.5	2.7	5.0
Commonwealth of Independent States	–7.8	5.0	6.0
Russia	–8.0	4.8	5.5
Middle East	2.0	4.5	4.5
Africa	2.1	4.0	4.2

PPP = purchasing power parity
WEO = International Monetary Fund’s *World Economic Outlook.*

Many of Africa’s 50-plus individual economies face serious challenges, including poverty, disease, and high infant mortality. Yet Africa’s combined GDP, at $1.6 trillion in 2008, is now approximately equal to Brazil’s or Russia’s, and the continent is among the world’s most rapidly growing economic regions. This acceleration is a sign of hard-earned progress and promise.

According to McKinsey Global Institute (MGI) high prices for oil, minerals, and other commodities have helped lift GDP since 2000. However, their research shows that resources accounted for only about a third of the newfound growth. Oil rose from less than $20 a barrel in 1999 to more than $145 in 2008. Prices for minerals, grain, and other raw materials also soared on rising global demand.

> *“According to the African Development Bank, 6 African countries are forecast to enjoy growth this year above seven per cent; 15 countries above five per cent; and 27 countries above three per cent. Direct foreign investment has soared from $9 billion in 2000 to $52 billion in 2011.*
>
> *This momentum is expected to continue and can be accelerated if we tackle remaining barriers to progress by investing in energy and infrastructure, and strengthening regional integration.*
>
> ***Kofi Annan; February 12th 2011 – key speaker at Exeter College.***

Change in Political Governance

In the last decade, African governments have adopted policies to energize their local markets. They privatized state-owned enterprises, increased the openness of trade, lowered corporate taxes, strengthened regulatory and legal systems, and provided critical physical and social infrastructure. Nigeria privatized more than 116 enterprises between 1999 and 2006, for example, and Morocco and Egypt struck free-trade agreements with major export partners. Although the policies of many governments have a long way to go, these important first steps enabled a private business sector to emerge.

Regional Corporations and Expansion

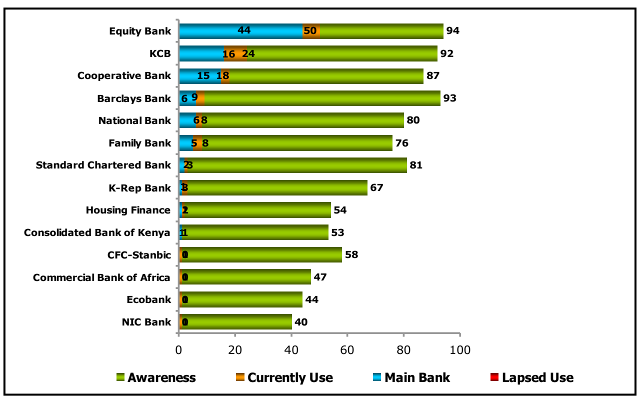
Interestingly, the first African presidents when most African countries got their independence pushed for African Unity. They expected the new African nations would forge their future together. And as a result control the natural resources and join the community of nations as equal partners. But this did not pass.

Recently, these corporations and economic blocs are instrumental in African countries expansion in trade and economic prowess. They started small, covering geographical demarcations like ECOWAS, EAC but we are witnessing their growth aiming to cover more in Africa.

For instance, West African banks have grown and launched out of West Africa. Ecobank, Bank of Africa and UBA are now trading successfully in East and South Africa regions. This goodwill has also been witnessed among locally (African) based banks where in the last 5 years or so we have seen them emerge as customers' favourites compared to earlier decades where foreign banks like Barclays and Standard Chartered ruled the day.

For instance in Kenya, local banks, led by Equity Bank now has large market share proportions compared to Barclays and Standard Chartered. The latest consumers statistics show Equity Bank emerging as the main user followed by KCB and Cooperative Banks. They are all local enterprises.

Figure 1: Kenya Banks Saliency & Usage Measures



Source: Millward Brown Bank Brand Health Tracking Studies

Rising of African Urban Consumer

Africa's long-term growth will increasingly reflect interrelated social and demographic changes creating new domestic engines of growth. Key among these will be urbanization, an expanding labor force, and the rise of the middle-class African consumer.

In 1980, just 28 percent of Africans lived in cities. Today, 40 percent of the continent's one billion people do—a proportion roughly comparable to China's and larger than India's. By 2030, that share is projected to rise to 50 percent, and Africa's top 18 cities will have a combined spending power of $1.3 trillion.

In African countries, urbanization is boosting productivity (which rises as workers move from agricultural work into urban jobs), demand, and investment. Companies achieve greater economies of scale by spreading their fixed costs over a larger customer base. And urbanization is spurring the construction of more roads, buildings, water systems, and similar projects. Since 2000, Africa's annual private infrastructure investments have tripled, averaging $19 billion from 2006 to 2008. Nevertheless, more investment is required if Africa's new megacities are to provide a reasonable quality of life for the continent's increasingly large urban classes

Growth of Internet & Mobile Telephony

The overall penetration of internet in Africa, though low, is growing at the fastest rate compared to the rest of the world. This growth is accelerated by similar growth in mobile telephony – with a significant proportion of consumers in Africa accessing internet through their mobile as compared to Personal Computer (PC) – affordable mobile handsets that are internet enabled are easily available compared to personal computers which are still beyond reach for many.

This rapid growth of internet is opening up opportunities for Africa to fast track growth in all aspects – political change (use of social networks to accelerate change and revolutions as seen in Egypt and Tunisia), economic advancement (growth of e-commerce) and social fulfillment (use of emails for communication, social networks, business and customer management e.g. online banking, online check in for airlines, digital press to name but a few).

Table 1: World Internet Usage and Population Statistics

WORLD INTERNET USAGE AND POPULATION STATISTICS						
World Regions	Population (2010 Est.)	Internet Users Dec. 31, 2000	Internet Users Latest Data	Penetration (% Population)	Growth 2000-2010	Users % of Table
Africa	1,013,779,050	4,514,400	**110,931,700**	10.9 %	2,357.3 %	5.6 %
Asia	3,834,792,852	114,304,000	**825,094,396**	21.5 %	621.8 %	42.0 %
Europe	813,319,511	105,096,093	**475,069,448**	58.4 %	352.0 %	24.2 %
Middle East	212,336,924	3,284,800	**63,240,946**	29.8 %	1,825.3 %	3.2 %
North America	344,124,450	108,096,800	**266,224,500**	77.4 %	146.3 %	13.5 %
Latin America/Caribbean	592,556,972	18,068,919	**204,689,836**	34.5 %	1,032.8 %	10.4 %
Oceania / Australia	34,700,201	7,620,480	**21,263,990**	61.3 %	179.0 %	1.1 %
WORLD TOTAL	6,845,609,960	360,985,492	**1,966,514,816**	**28.7 %**	444.8 %	100.0 %

Source: International Telecommunication Union (ITU)

Mobile telephony

"The mobile phone revolution continues," says a UN report charting the phenomenon that has transformed commerce, healthcare and social lives across the planet. Mobile subscriptions in Africa rose from 54m to almost 350m between 2003 and 2008, the quickest growth in the world. The global total reached 4bn at the end of last year and, although growth was down on the previous year, it remained close to 20%.

On average there are now 60 mobile subscriptions for every 100 people in the world. In developing countries, the figure stands at 48 – more than eight times the level of penetration in 2000.

In Africa, average penetration stands at more than a third of the population, and in North Africa it is almost two-thirds. Gabon, the Seychelles and South Africa now boast almost 100% penetration. Only five African countries – Burundi, Djibouti, Eritrea, Ethiopia and Somalia – still have a penetration of less than 10 per 100 inhabitants.

Uganda, the first African country to have more mobiles than fixed telephones, is cited as an example of cultural and economic transformation. Penetration has risen from 0.2% in 1995 to 23% in 2008, with operators making huge investments in infrastructure, particularly in rural areas. Given their low incomes, only about a quarter of Ugandans have a mobile subscription, but street vendors offer mobile access on a per-call basis. They also invite those without access to electricity to charge their phones using car batteries.

Popular mobile services include money transfers, allowing people without bank accounts to send money by text message. Many farmers use mobiles to trade and check market prices.

Growth is expected to remain robust, says the Information Economy Report, published today by the UN Conference on Trade and Development (Unctad). The regional mobile operator MTN forecasts an average mobile penetration of 80% by 2012 in its 15 African markets.

The actual growth in mobile phones has been far larger than expected by international experts and investors. A major reason for the boom is that Africa lags far behind other continents when it comes to fixed-line phone subscribers. Only 2.8 per cent of Africans have ordinary phone services.

In the generally sparsely populated and extensive African continent, where the majority population lives in poverty, the large costs of stringing up telephone wires so far has not been economically viable. Mobile phone networks, on the other hand, are much cheaper and faster to establish. As a result, some 6 per cent of Africans now use mobile phones; more than double the number of fixed-line phone subscribers.

The establishment of mobile phone networks has also defied structures hostile to investments, warfare, failed states and natural disasters. Somalia, which has not had any central government for over a decade, has achieved a vibrant mobile industry.

Mobiles have steadily advanced in Congo Kinshasa and Liberia despite heavy warfare. Unstable Guinea-Bissau started its first mobile phone network this year.

Phone masts tower above cities such as Cape Town and Cairo, war–torn capitals such as Mogadishu and Monrovia, rural villages never touched by telephone lines and even remote refugee camps such as Kakuma in northern Kenya, where text messages and irritating ringtones are now as much a part of life as food handouts. This remarkable growth — the African market is expanding nearly twice as fast as Asia's — has confounded analysts and even service operators. As recently as 2003, the ITU forecast that there would be only 67 million users by the end of 2005. Before mobile phones, vast swaths of Africa were communication voids. There are just three landlines per hundred Africans and most are expensive and unreliable. By contrast, Europe has 40 fixed phones per 100 people.

A lack of electricity has not proved a hindrance: roadside vendors charge mobile phones with car batteries. As the signal coverage expands, cheaper phones and calls fuel growth.

Recently Safaricom started selling what is believed to be the cheapest mobile phone. Designed by Motorola for the developing world, it costs £20, with free connection. The cheapest airtime voucher is about 40p. In Kenya it is possible to buy talk-time and send it to the phone of a relative, who then cashes it in at local stores. Where few have access to bank accounts, airtime is currency.

Cell phones not only offer Africans new facilities through voice services but also use emerging technologies that bring Internet access to phones, thereby bypassing the need for a computer for connecting to the World Wide Web. Since computers are rare in much of the African continent due to poor wire-line infrastructure – a recent study found 97 per cent of people in Tanzania said they could access a mobile phone, while only 28 per cent could access a landline – and unreliable electrical grids, a technology that offers Internet access without a costly PC promises to pay dividends for Africans.

The world's leading mobile phone manufacturer Nokia is aware that emerging markets in Africa represent a huge expanding opportunity, therefore, Nokia chose Nairobi, Kenya, to announce the launching of two phones specially designed for Africa.

Nokia believed that by 2009, Africa will reach 200 million cell phone users, the total number of "mobile" people reaching the 3 billion thresholds by 2010. Both models, Nokia 1100 and Nokia 1600, are easy to use and have an intuitive interface. While Nokia 1100 was fitted with a black and white display, Nokia 1600 was endowed with a 65,000 color display.

The devices support polyphonic ringtones, have preinstalled games and features like Speaking Clock. Both devices come in various colors. Nokia 1100's battery offers 5 hours of operation and 380 hours of stand-by weighs 80 grams and has a price tag of 65 Euros. Although the prices seem relatively small, it's likely that Nokia will lower them even more as there are producers offering cell phones priced around $40-50.

Sale of mobile phones in Africa and Middle East is set to more than double in the next three years. The rise is expected to be bolstered by expansion of local and regional economies and more service providers rolling out networks across the region. Nokia reckons the two regions will top the list of fastest growing markets in the next three to four years surpassing Asia which currently occupies the number one position.

Middle East and Africa are among the world's fastest growing telephony markets and are becoming a major focal point for mobile phone manufacturers according to the International Telecommunications Union (ITU).

Kenya has already drawn the attention of major manufacturers such as Nokia, Samsung and Motorola, with each setting up offices to drive their strategic advances in the market. Nokia recently opened a regional office in Dubai, aiming to gain better access to what is becoming the world's fastest growing telephony market and facilitate local development of new features in phone models.

Nokia's President and CEO Olli-Pekka Kallasvuo said strong growth in the Middle East and Africa region would continue with the number of mobile device volumes expected to double from the estimated over 100 million phones sold in 2006 to about 250 million by 2010.

Increased demand for mobile phones is expected to provide phone manufacturers with a steady supply of customers as existing owners upgrade their models and new subscribers come online with increased network expansion.

“We have forecasted a global market of four billion subscriptions in 2010, up from the current level of just over three billion. And we expect that nearly a quarter of new subscriptions will come from the Middle East and Africa region,” Kallasvuo said. “The Middle East and Africa are critical markets for Nokia, and we expect strong economic growth to continue. We plan to strengthen our operations by reaching further into rural communities to bring mobile communications to more people.”

Nokia’s mobile device volume in the Middle East and Africa region increased nearly 37 per cent year-over-year in the second quarter, maintaining its lead over competitors Samsung and Motorola.

However, Kallasvuo said the anticipated growth would not necessitate the establishment of a factory in the region, saying the existing manufacturing network was capable of meeting the demand of the growing African market.

Part of the company’s strategy for the African region has been to produce affordable devices with specialised adaptations for local consumers, many of who are first time users of the mobile phone.

Nokia said the inclusion of a flashlight, FM radio and Swahili language options have pushed sales of entry-level or lower-end models not only in Kenya but also in Tanzania and Uganda. Mobile firms have consistently pushed sales of entry-level phones as they roll out their networks across the country.

Looking at the great demand for mobile phones in Africa and the rising sales figures throughout the African continent, an enterprising organisation in Zambia called M-Tech Mobile Communication has started assembling its own brand of mobile telephone handsets and has been promoting its brand throughout Africa.

"We believe in bringing technology closer to the African people by providing world class products at competitive prices," says Mohaammed Seedat, managing director of Zambia-based M-Tech Mobile Communication.

"The business potential of our venture is enormous as we will be meeting the rising demand for mobile handsets throughout Africa in the coming years," he says.

Africa Growth Driver's implications

What does this mean for marketers in Africa?

Definitely as observed earlier, Africa of today is more stable, prosperous, and democratic than it has been in the last century. It is therefore the best possible time for marketers to explore and approach Africa. Many marketers would therefore want to know how to take up this opportunity head on. Below is a snap guide on what we hope would help organizations build successful brands in Africa.

1. Stiff Competition – Global & Indigenous brands in Africa have equal opportunities

In the last decade, many global companies have entered African markets, but the continent still provides significant open space in which a brand can grow. New entrants have learnt that it is important not to underestimate the local competition. Global or international marketers have expected that their major competitors will be other internationally recognized brands, only to come up against a local operator with all the connections, experience, and ruthlessness to make their business models unworkable. In addition, commodity and informal markets in some sectors make it difficult for multinational brands to survive, let alone prosper.

Furthermore, majority of the users in Africa are not party to most international media and communication done by global brands. So consumers don't have prior built perceptions of many global brands. Basically when approaching Africa markets perceptions plans should at least start on what one would call a 'clean slate image profiling' until the marketer is sure of the positioning direction and build on it.

The lesson here is to take African markets seriously, with regard to both the potential rewards and the challenges to be overcome.

2. Innovate - Must use of Research and Development to create new products

Ideally Africa is associated with poverty with majority of each country's population living an income of less than U.S. $1.25 per day. This has called for product customization and innovation rather than general assumption that these populations have no 'money power'. Below are a few world class examples of great innovation.

Mobile phones industries have been phenomenal with tremendous growth in Africa such that the industry is a reference of many Africa's success stories.

When Safaricom Kenya's leading mobile service provider introduced a mobile money transfer service (M-PESA), they had identified a critical need among their subscribers. Safaricom had an infrastructure to transfer virtual cash. In the past majority of the subscribers used public transportation to send physical cash and M-PESA became an instant success because its speed, convenience and more importantly the security.

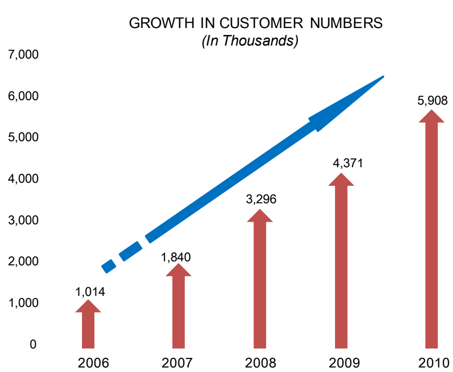
M-PESA mobile money transfer services are now a leading product originating from Africa that has won numerous world accolades and is being rolled out to the rest of the world markets.

Banking Sector has also witnessed world class invention from Africa. When Equity bank in Kenya decided to target the un-banked category, it was unimaginable that they would make it. Or at least be profitable. Now it is one of the fast growing banks in Kenya and has already stretched its wings to other countries in the region.

Equity Bank's business model has attracted both local and international recognition. On many occasions the Bank has been invited to various international forums and bodies to share on its successes. Equity has also become a hub of other institutions worldwide keen on learning and exchanging insights on the Equity model of extending financial services to the low income segment and the un-banked population.

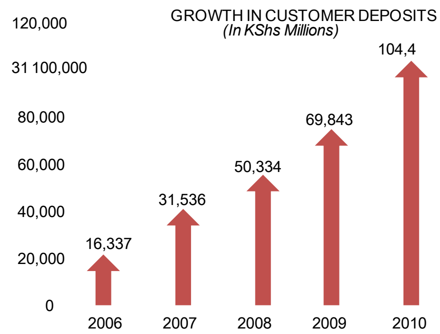
Equity Bank has been named as the Emerging Markets Most Sustainable Bank of the Year in Africa and Middle East by the Financial Times and the International Finance Corporation – a member of the World Bank Group. Recently, they recorded phenomenal growth

Figure 2a: Africa Example – Kenya's Equity Bank Growth in number of customer numbers



Source: Equity Bank Annual Financial Report (2010)

Figure 2a: Africa Example – Kenya's Equity Bank Growth in number of customer deposits



Source: Equity Bank Annual Financial Report (2010)

Comparing with an equally big bank in the UK - HSBC Bank

In comparison with Europe or first world markets, it seems Banks are not enjoying the same rate of growth. It's insignificant and in some cases declining in some of the key fundamentals. This outcome confirms and reinforces the notion that Africa is an emerging world future market.

A case in hand is HSBC bank in UK whose revenue has had episodes of declines compared to the same period as Equity Bank in Africa. The figure below illustrates this trend since 2006 up to last year.

Table 2: HSBA Revenue Growth in the last 5 years

Fundamentals for HSBA					
DATES	31st Dec 2006	31st Dec 2007	31st Dec 2008	31st Dec 2009	31st Dec 2010
Continuing Operations					
Revenue	70070	87601	88571	78631	80014
Operating Profit/(Loss)	21240	22709	7646	5298	16520
Revenue in %		17531	970	-9940	1383
% Change in Revenue		25%	1%	-11%	2%
Change in operating Profit/(Loss)		1469	-15063	-2348	11222
Change in Operating profit/loss in %		7%	-66%	-31%	212%

Source: London Stock Exchange - Company Profile for HSBC HLDGS PLC ORD $0.50 (UK REG) Generated on 08-Mar-2011 at 06:17

3. **Understand the complexity of low end consumers**

The lowest poverty levels in the world are recorded in Africa and Asia Pacific economies. However, this scenario has often been taken literally and hindered many corporations from investing in third world economies. Nevertheless, companies that have spent time to meet the consumer's needs rather than focusing on economic status are making huge amounts of profits for their shareholders.

"The problem of poverty in Africa is often oversimplified (i.e. "Africans are starving") to expedite the perceived solution (i.e., "the world should send food"). The reality is far more complex. The IMF definition of poverty — an income of less than U.S. $1.25 per day — obscures the fact that in Africa, income is not the whole picture. Informal markets, social networks, subsistence agriculture, microfinance, and many other factors often bridge the gap between income and livelihood, allowing that $1.25 to go a lot further than you might expect.

4. **Deliver on the Brand promise**

African consumers are increasingly holding providers of goods and services to account compared to the past. There is an awakening of consumer rights and entry of alternatives in the market. When providers underperform in delivering to the consumer in a market that is experiencing available choices the movement is massive.

Brand delivery faces unique challenges in Africa due to the infrastructure conditions. Availability is a key challenge especially for FMCG's and a company has to carefully map out how they will deliver their product to various destinations.

A consignment of various channel mediums is necessary due to the fragmentation of the market and regions.

The mobile telecommunication sector is a classic example where it recorded a third of the subscriber market have active SIM cards with different networks. If the subscriber encounters a network problem, he will not report the problem, wait or try again but will switch to another network.

5. **Seek to deliver value adding benefits through products/ services**

In African markets consumers are very sensitive to products and services that deliver real, tangible benefits that also improve people's lives. For instance, a beverage container in rural areas has many other uses. It can be used to draw water from the river or as a cup or for storage use of other products in the kitchen like maize flour.

Unfortunately some of the services and innovations launched in African markets to "add value" do not attract consumers because consumers do not perceive this value. These offers are either irrelevant to local needs or their value has not been demonstrated effectively to local consumers.

The best way to ensure that your products and services really do add value is to do your homework beforehand. The most successful innovations in Africa diagnose the need and then develop the solution, not the other way around.

6. **Your communication should cut through the clutter**

A drum is a very common musical instrument in Africa. It was used by many tribes for other uses as well, one of them being communication.

The number of beats of a certain drum would communicate a message to the neighboring village. The size of the drum mattered.

If this illustration was used in today's modern Africa every brand has its own drum. And the sound it makes will determine its success in awareness and worse still if the sound it makes is irritating then it loses relevance in the market.

Advertising in Africa is in a high-growth phase, and in the excitement, advertisers often take for granted that marketing messages will have an impact and be retained. TV, Radio, Print and Billboards are above the line communication mediums that traditionally popular. Unfortunately they are expensive especially TV which still has less than 50% penetration levels in many African markets. Radio has a better reach but nowadays is also facing fragmentation challenges – the numbers of Radio stations are more than 100 in one country.

Its means advertising for a brand has to be motivating, engaging and attain high levels of persuasion. In this way, a brand has high hopes for stronger traction in the consideration set.

7. **Activate avenues for positive Word of Mouth**

It's interesting the way in most African open air markets goods on offer are not labeled to indicate their prices. Lack of prices on the merchandise and the resulting need to discuss the price of every item with the vendor is a popular phenomenon. Personal interaction in the market places is a basic requirement making 'Word of Mouth' a very critical tool or channel for brands to leverage on as they seek occupy consumers mind space.

Picture 2: Shows a busy open air market in Senegal

Medical Tourism – as an example of emerging opportunities in Africa

African people have since independence viewed education as the gateway to riches. It has in many ways been very important ever since independence for majority of African countries. As a result, Africa has produced world renowned scholars. The medical sector is one that most benefits in improving Africa for the future. Africa has some of the best medics who have schooled in the likes of Harvard and Oxford Universities and becoming world class surgeons. This means they can perform some of the complicated surgeries given the right tools or facilities and governments and health facilities have established this opportunity and are building health facilities of excellence.

Medical tourism is becoming big business for a few countries in Africa, namely South Africa, Egypt and Tunisia. According to a recent article in the New York Times, more than 6 million Americans are expected to travel abroad to get medical treatment by 2010.

Medical tourism is booming as people seek more affordable surgical and dental procedures abroad.

This recent attraction is seen when one compares to paying a fraction of the cost, staying in a hospital that is reminiscent of a 5-star hotel, and getting treatment quicker than at home (abroad).
South Africa has long boasted some of the best doctors and hospitals in the world; in fact, the first human heart transplant was performed in Cape Town in 1967. Medical tourists aren't just getting a boob job along with a safari, although that's still the most popular treatment in South Africa. They're also getting hip replacements, cardiac procedures, and dental surgery. A company like Mediscapes, which is based in Cape Town, offers literally hundreds of surgical procedures at a relatively low-cost--and no waiting list. Medical tourism packages will usually include help with medical visas; meet and greet; private nurse; accommodation before and after to recover; and a luxury safari as the cherry on top.

Egypt's film industry is the biggest in the region, and there's certain glamour to the jet-set of Cairo. Wealthy Middle Easterners, Americans, and Europeans flock to Cairo's smart private hospitals to get their cosmetic surgery and dental work done at a very low-cost. According to Plasmetic.com, the prices for plastic surgery in Egypt are 60-70% lower than corresponding treatment in the US or UK. A thigh liposuction, for example, is done for a mere $260 in Egypt--the same procedure can cost up to $2,000 in the US and $3,000 in the UK.

Conclusion

It's definitely the rise of a new African dawn. The continent has made progress in governance and order. Today Africa is more stable, prosperous and democratic than it has been since independence for many countries. Increasingly, this growth is being used to diversify economies and invest in the bedrock of successful societies – in education, in health and vital infrastructure.

And a few countries like Botswana are leading the pack. It has remained the world's most sustained and strongest economic growth over the last four decades.

Definitely Africa's drums are picking up the rhythm out of darkness and it's up to the marketers and investors to understand the tune of the world's next future frontier.

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