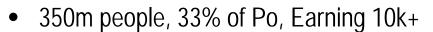
Unveiling Africa's New Middle Class

Olutoyin Oyelade, Managing Partner, InVcap Friends of Africa (FOA) 2015

The New Middle Class: Lions on the Move





- Upper, Lower, Floating middle class
- Emerging MC, By 2020,128m will earn \$5k p.a. Increasing disposable income and driving the consumer markets.
- MC- 2nd largest contributor to GDP 16%.
- Market: USD40b growth opportunity.

The New Middle Class-Building Economic Stamina



- Affluence: 11 to 18% urban households have \$10k+ incomes. \$4-\$5 meal platter.
- Emerging MC: \$5k incomes grows from 20%-27% by 2020.
- Rate of urbanization is one of the worlds fastest at 4% p.a
- 8 major cities with 16% of the nation's population will drive 36 percent of its growth by 2020.
- Per capita consumption higher in Cities than the Nation. In Lagos-134%, Accra-75%

The New Middle Class-Infrastructure

















- Opportunities in privatization of high growth sectors of power, oil and gas, real estate.
- Case Studies of Telecoms firms-Top listed
- Less than 40% of the population has access to electricity; all season roads
- Highly unregulated with pricing disparity across sectors to profit from.
- Housing deficit of 62% across major cities.
- Influx of hotel chains and new leisure spots.





The New Middle Class-Retail Case Studies



- Mozambique & Angola: shopping centers in Luanda and Maputo
- Namibia: Regional expansion for businesses with hubs in SA with development of 54000m² Grove Shopping Centre.
- Windhoek and Northern Swakopmund and Walvis Bay.
- Mauritius, Seychelles, and
 Madagascar: tourism, real estate, 1st
 World infra, political, economic stability.

The New Middle Class-Retail Case studies



- Senegal and Swaziland: traders setting up mini "markets: selling mobile-phone, Sim cards.
- Nigeria: MC using internationals brands: Hugo Boss
- Dinning: Domino's Pizza, KFC in Lagos and Abuja
- Pipelines: Tommy Hilfiger, Chanel, Nine West and Christian Dior developing 200000m² Mall space in Kano, Port Harcourt and Ibadan.















The New Middle Class: Bridging Disparities



- Consumer products: Repackage small sized goods for local affordability.
- Food manufacturers: Adapt to local
- Vehicle manufacturers: Partner Banks for vehicle financing.
- Healthcare providers: Affordable healthcare models.
- Property developers: Malls & Retail infrastructure, Housing for All project Nigeria's-160m, Ghana-26m
- **Energy IPP Firms**: Tap Africa's natural resources to close supply gap.
- The Funding Gap: Develop new models for female, mortgage,& entrepreneur loans
- Fastrack access to energy affordability

The New Middle Class: Bridging Disparities

Questions?