



JOHANNESBURG-GAUTENG
SOUTHAFRICA ITALY
SUMMIT/INDABA



The European House
Ambrosetti

SOUTH AFRICA ITALY SUMMIT 2018

HOSTS THE

Africa Europe CEO Dialogue

5th Edition

Johannesburg,
23rd and 24th October, 2018

Project Presentation

BUILDING AN EXCLUSIVE, INFLUENTIAL COMMUNITY OF LEADERS FOR
GROWING THEIR ENTERPRISES, THEIR COUNTRIES, AND CONTINENTS

In cooperation with



Main partners



Partners



Media partner



With the patronage of



Official vehicle partner



For the fifth consecutive year, The European House - Ambrosetti has been nominated - in the "Best Private Think Tanks" category - the No. 1 Think Tank in Italy, ranking in the European top ten and ranking in the World top one-hundred independent out of 6,846 Think Tanks globally, in the University of Pennsylvania 2017 Global Go To Think Tank Index Report.



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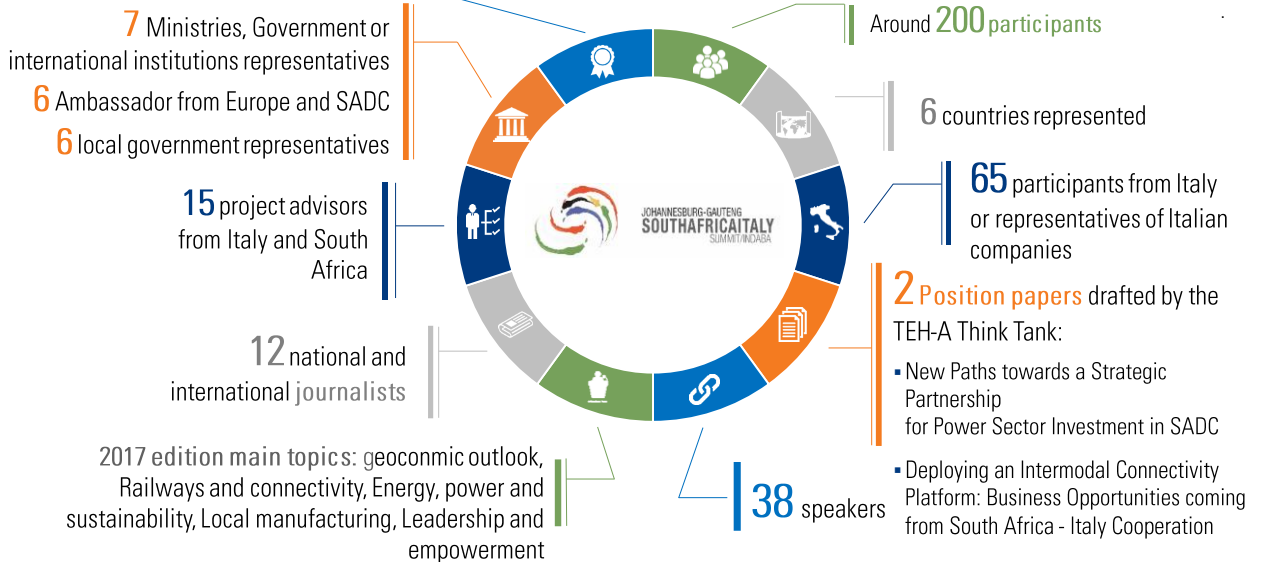


1. Summary of the fourth edition

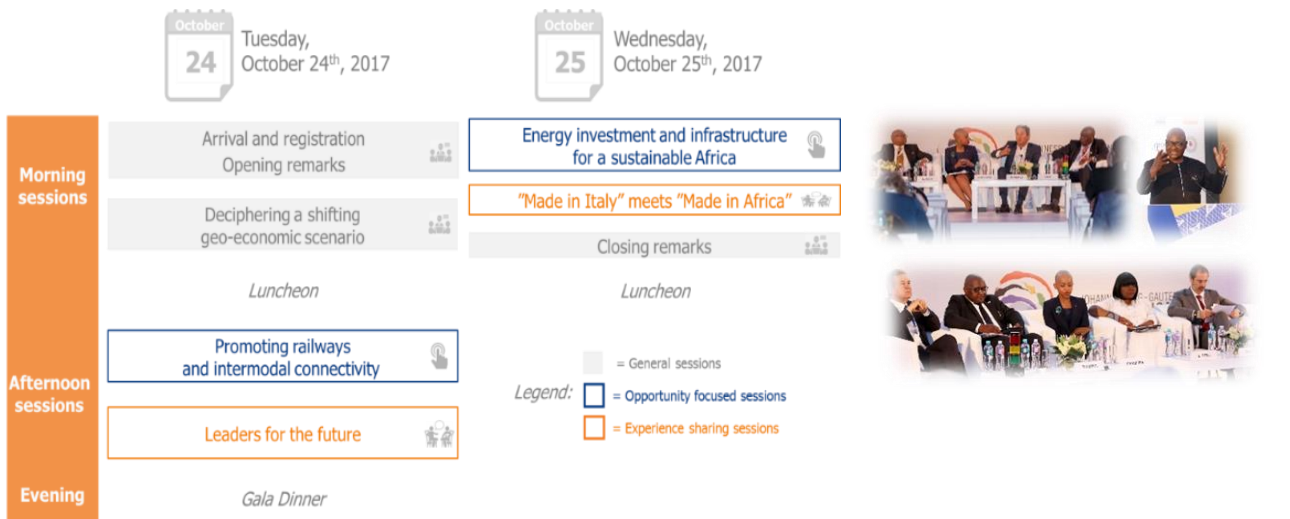


Thanks to our Partners for the outcome of the fourth edition

For the 5th consecutive year, The European House – Ambrosetti has been nominated in the "Best Private Think Tanks" category - the **No. 1 Think Tank** in Italy, ranking in the European top ten and ranking in the World top one-hundred, in the University of Pennsylvania 2017 Global Go To Think Tank Index Report.



2017 edition program and partners



MAIN PARTNERS OF THE 2017 EDITION

In cooperation with: **GAUTENG** PROVINCIAL GOVERNMENT REPUBLIC OF SOUTH AFRICA

Main partners: **BBMLAW**, **BUILDING energy**, **MA**, **peu group**, **TRANSNIP**, **Terna**

Partners: **FERROVIE ITALIANE**, **Amicon**, **CITIM**, **grow**, **Business Day**

Media Partner: **Business Day**

With the patronage of: **ITA**, **CON INDUSTRIA**



2. Enlargement of our vision



The South Africa – Italy Summit is evolving into a regional platform

- Building on a **South African and Italian Summit**, we are expanding our community of leaders to encompass other Southern African and European Countries
- We aim at creating an active and growing involvement of relevant regional and **international organizations** (SADC, EU), of **other Southern African Countries'** governments (Angola, Botswana, Lesotho, Mozambique, Namibia, Zambia, Zimbabwe) and business leaders



Africa Europe CEO Dialogue Vision

A BROADER VISION

Create a pan-African and European platform based on the South Africa – Italy Summit, to foster CEOs and leaders interaction in order to accelerate business and investment relations, growth, and competitiveness

1. Position the Africa Europe CEO Dialogue as the a main business and strategic hub for high-level networking in Southern Africa
2. Provide decision makers with innovative ideas and opportunities for businesses in Africa
3. Expand relations in other Southern African Countries to capitalize on rapidly emerging business opportunities on the ground

The South Africa Italy Summit

2014	2015	2016	2017
First edition	Second edition	Third edition	Fourth edition
Cape Town	Cape Town	Johannesburg	Johannesburg

2018
The Africa Europe CEO Dialogue
Johannesburg





3. Tentative 2018 program structure



Date and venue 2018 edition



Tuesday and Wednesday, October 23 and 24, 2018



Maslow Hotel, Johannesburg

Summit location

Maslow Hotel

Rivonia Rd & Grayston Drive, Sandown, Sandton



Gala Dinner location

Summer Place

69 Melville Rd, Hyde Park, Johannesburg



Summit sessions

GENERAL SESSIONS



Opening Remarks

Closing Remarks

OPPORTUNITY-FOCUSED SESSIONS



Intermodal paradigm in transport and logistics



Tourism and territorial branding



Smart technologies and the city of the future

CROSS-INDUSTRY SESSIONS



Financial tools to improve Africa's investibility

Scientific and university cooperation hub

Skills for smart manufacturing and latest technologies



= position paper discussion

Program

October 23

09:00 – 09:30	Registration
09:30 – 10:30	Opening remarks
10:30 – 11:00	Keynote Speech
11:00 – 12:30	Financial tools to improve Africa's investibility
12:30 – 14:00	Lunch
14:00 – 15:30	Intermodal paradigm in transport and logistics
15:30 – 16:00	Break
16:00 – 17:30	Smart technologies and the city of the future

October 24

09:30 – 11:00	Synergies between different tourism models
11:00 – 11:30	Break
11:30 – 13:00	Skills for smart manufacturing and latest technologies
13:00 – 14:30	Lunch
14:30 – 16:00	Scientific and university cooperation hub
16:00 – 16:30	Closing session





4. Sessions' logical flows



Session logical flow

Financial tools to improve Africa's investibility

In a context of **multiple Government priorities** and budget constraints, increasing Africa's investibility is key to attract private players resources and fund off-balance sheet investment to fund societal goals

- Education
- Security
- Human development
- Economic growth
- Energy access
- Transport and Infrastructure

The key is to find the right recipe to **involve private capital and know how into the public sector**, while at the same time **developing capital markets** to foster endogenous growth

Designing successful PPPs formula and policy expertise

PPPs are often invoked as a solution to boost SADC return on investment on infrastructure and economic growth at large. However, they **require significant institutional capacity** in terms of regulation, tendering, evaluation, implementation, thus posing challenges and opportunities

Developing capital markets and private finance in SADC for micro and macro projects

1. Project financing
2. Equity capital markets
3. Debt capital markets

OPPORTUNITIES

- Generate revenues
- Improve delivery
- Reduce tax burden
- Develop private sector

CHALLENGES

- Graft
- Policy complexity
- Public contempt
- Inequality

PPPs principles

- Affordability
- Cost effectiveness
- Value for money
- Transparency
- Risk management

Many PPPs have failed as Governments have tendend not to take risk into account adequately

- Technical risk
- Operational risk
- Financial risk

SUCCESSFUL PPP MUST HAVE strong political commitment, robust institutional capacity, a credible sanctioning system, local population empowerment

SESSION OBJECTIVES

1. Discuss innovative case histories (world and SADC)
2. Analyze most suitable industries
3. Identify the right PPP model
4. Identify key success factor and risks
5. Devise strategies to scale at regional level



1. Stimulate project finance and corporate bond issues in SADC public companies to **increase private capital allocation and public companies accountability**. Project-related bond offerings have been succesfull in many SADC countries (South Africa, Mozambique, ...) and should be scaled.

2. SADC can count on South Africa's well developed stock market to **increase international capital allocation in other SADC countries**. Despite capitalization rate in many Southern African countries is still low compared to global levels, significant progresses have been made in the last decade.

3. In the last years, **Africa's debt market has been experiencing a sustained momentum of growth**. As loose monetary policies in major Western economies pushed investors to look for higher returns, SADC countries should use this window of opportunity to consolidate their attractiveness towards global capital flows.



Session logical flow


Skills for smart manufacturing and latest technologies

WHAT ARE THEY Smart factories use automated and smart systems that operate autonomously and in contact with the surrounding environment. The main goal is to improve production processes through highly-integrated communication networks between different parts of the value chain

WHY ARE THEY RELEVANT At a global level, the development of smart factories is expected to **increase manufacturing efficiency by 27% and add up to \$1,500 billion** to the global economy by 2022

KEY TECHNOLOGIES The basis of smart factories are **smart technologies**, the main driver of digital transformation and the key element increasing the interaction between manufacturing, connectivity and computing. Despite mostly big companies have so far been able to reap the benefits, smart technologies can be applied to SMEs cost-effectively

- Manufacturing** 
- drones, satellites
 - advanced materials and 3D printing
 - advanced robotics and nano-tech

- Connectivity** 
- advanced sensors
 - smart machines
 - remote-controlled technologies

- Computing & Big Data** 
- advanced analytics
 - cloud computing and data exchange
 - artificial intelligence

KEY SKILLS High **investment on education, training and new skills** are required to reap the benefits of the fourth industrial revolution, develop smart technologies and boost economic growth. **Highly-skilled labour force** is an enabler of both macroeconomic development and of microeconomic business success

Technical skills, rather than tertiary and university-level education, seem to be the key of success

What's the recipe for a synergic public - private environment to enhance labour force skills?

Successful policies **integrate all actors** in a single **strategic design**

Actors

- Educational institutions
- Companies
- Trade Unions
- Consultants and service providers
- Individuals

Targets

- Employed/Unemployed
- Skilled/Unskilled
- Marginalized
- Youth
- Self employees

SESSION OBJECTIVES

Public policies

1. Discuss the some relevant skills training models (Germany, China, India, ...)
2. Devise Africa-specific recipe for training
3. Debate on how institutions create an ecosystem where capital and technologies can flow to small businesses
4. Discuss how to address SADC's main challenges (under-developed manufacturing, scarce infrastructures, modest domestic consumption...)

Companies strategies

1. Highlight local successful stories and how to scale
2. Point out policies that foster private investment in skills training
3. Debate the best HR policies for African companies
4. Analyze how smart technologies can integrate Southern Africa into global value chains
5. Discuss how African SMEs can access Industry 4.0 and cooperate with European counterparts

CURRENT SITUATION

Southern Africa faces a three-fold **skills mismatch** that weakens the growth of smart manufacturing:

- Demand mismatch
- Educational supply mismatch
- Job qualification mismatch

FUTURE PROSPECTS

The improvement of productivity passes by the creation of a technical **smart education** to train young generations for skill-intensive jobs and to take advantage of the techno-revolution triggered by Industry 4.0



Session logical flow

Smart technologies and the city of the future

WHAT ARE THEY Smart cities are built on the application of different digital solutions across several sectors and spaces (physical and social) and enabled by new technologies, innovations in services and management practices

HOW MUCH THEY WORTH Projected global investments in smart cities technologies will reach up to **\$1,200 bln.** within 2019

- Smart cities also enable completely new industries and value chains, such as smart mobility
- New ways for funding and financing are required as municipalities' budgets get increasingly under pressure

WHY ARE THEY RELEVANT After Asia, Southern Africa is the world fastest urbanizing region. This process is stressing existing Southern Africa urban infrastructures and services, which are increasingly expected to perform beyond their original design

WHY NOW

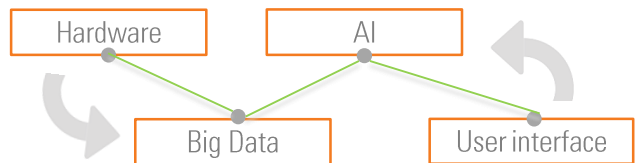
- Smart cities technologies are becoming cost competitive
- Increasing smartphone adoption rates and tech-literacy in Africa allow greater effectiveness of deployed technologies
- Policy environment and municipal governance improving across the continent

Financing smart cities

Technology deployment and service capacity build up require significant investment in terms of capital and skills development.

Alongside the contribution of multilateral financial institutions, smart cities offer interesting and innovative opportunities for PPPs schemes, smart finance (eg: smart bonds), and private investment attraction.

The smart cities' building blocks



Smart cities applications

- Utilities
- Mobility
- Healthcare
- Housing
- E-government



Beyond citizens' wellbeing

Smart cities are not technologies making citizens' life easier, but an essential tool for policy makers to **increase competitiveness and economic growth.**

Cities are the engine of contemporary economic growth producing 80% of global GDP , consuming 70% of global primary energy, and emitting 70% of GHG.

→ Making cities smarter can foster:

- Value chain development
- Talent attraction
- Public budget savings
- Sustainability
- Societal gains

Industrial spill overs

Important industries and related value chains, such as automotive, are getting reshaped. African policy makers can take advantage of this upcoming revolution to position their territory as an investment destination for smart cities' technologies manufacturing.

As single markets are not sizeable enough for manufacturing localization, policy coordination among African states (Eg: SADC countries) can **ensure that sizeable manufacturing output takes place locally.**



Session logical flow

Intermodality in Southern Africa

*Analysis of logistics sector and transportation scenario in Southern Africa Region shows that a proper development of **intermodal transportation** across the whole Region is pivotal to support economic growth and inter regional trade, also boosting investments attraction across the Region*

Current Situation: vast opportunities exist in the development of intermodal transportation in Southern Africa

- Southern Africa Region is experiencing strong economic growth. Such positive performance is expected to continue in the years ahead
 - +5.0% GDP avg. annual growth rate by 2023
 - Steady growth of both intra-regional export and import
- However, Intra-regional trade within the Region is still below potential, constraining economic growth
 - SADC only accounts for 10% of total trade (vs. 25% in ASEAN and 40% in the EU), in part because of scarce infrastructures
 - Catching up infrastructural gap in the Region would allow SADC to increase per-capita GDP growth by 1.7 - 2.6 p.p. per year
 - Opening up of African air routes would boost economies (e.g. the opening of a single air line in South Africa would generate over \$280 mln.)

A proper intermodal connection, capable to integrate intra-regional and international road, rail, naval and air transport of goods and people is a priority for the Region. The session will investigate how SADC and European players can cooperate together, in order to promptly achieve such result and develop competitive business players across the value chain

Project analysis and concrete cases of SADC – EU cooperation in this field will provide the relevant knowledge base to understand real opportunities and the enabling factors for actors involved in intermodal transportation value chain

- Almost all SADC countries have vast infrastructure development **plans** in pipeline. What are the recurring features? How are they integrated together?
- How to **finance** such interventions?
 - Cost of redressing Southern Africa infrastructure deficit is estimated at 12% of regional GDP. It means that currently a funding gap of US\$35 billion per year exists
- How can EU and SADC **private players** can cooperate to improve local transportation and build up local industrial players?
 - Create partnerships to **develop local manufacturing hubs**, capable to create competitive regional players
 - Cooperate in identifying and providing the relevant **competences and skills** in light of the progressive digitalisation of the sector
 - Deploy the **relevant technologies**, enabling a frog leap towards a proper intermodal connectivity in the region capable to support industrial and societal needs
 - EU as a whole (companies, institutions, experts, ...) can also provide an example of effective regional integration and single market in terms of enabling policies, common standards and regional corridors creation



Session logical flow

Synergies between different tourism models

Tourism industry is growing, promising vast rewards to those countries capable to attract booming touristic flows and engage them, bringing positive spillovers to territorial economies. To do so, a deep understanding of how the sector is changing and a strategy to adapt each countries' strengths to such developments is crucial

Current Situation: global tourism industry is growing fast, but only those economies capable to engage with changes affecting this sector will be able to benefit from unprecedented opportunities

- Global Travel & Tourism sector accounted for 3.2% of global GDP and 118 million jobs (3.8% of total employment), in 2017
 - In EU such contribution accounts for 3.6% of regional GDP and 3.8% of regional employment, attracting over 200 bln. \$ in investments in 2017
 - In Southern Africa it accounts for 2.7% of regional GDP (+4.2% estimated growth in 2018) and 2.3% of regional employment. Value Added generated will grow from 43 bln. to 70 bln. \$. and 2 mln. Jobs will be created by 2028.
 - Nearly 100 million additional new jobs could be created over the decade ahead within those economies capable to better intercept evolving tourism flows enabled by digitalisation and align their tourism industry accordingly
- Analysis of macrotrends affecting the sector signals a transformation of industry's DNA
 - New entrants (countries and players)
 - Digital (by 2020, 70% of all travel bookings will be made via mobile)
 - New customer behaviours (new, affluent consumers' in East Asia, developing of appealing tourism industries in unexpected countries/destinations, ...)
 - Experiential tourism is growing fast, enabling local economies to develop an attractive offer based on culture, agrifood, craftsmanship, benefitting citizens in rural areas



Within this context, both Europe and Southern Africa have to wisely ponder own strengths and weaknesses, developing a comprehensive tourist strategy capable to win international touristic flows relevant for own touristic models and needs and also capable to effectively benefit their local economies



EU and Southern Africa Region can cooperate in several fields and at different levels

- Development of a Regional tourism industry capable to compete in the digital era and to benefit local economies
 - Role of digital players in benefiting local economies (e.g. rural areas, ...)
- Achievement of a competitive and comprehensive Regional tourism strategy
 - Segment worldwide tourism demand, matching it with Regional strengths and excellences
 - Ecotourism
 - Experiential tourism
 - Cultural tourism (festival, craftsmanship, heritage,...)
 - ...
- EU SADC cooperation, in order to become global excellences in own identified niches,
 - Possible synergies (seasonality, complementarity of the offer, integrated promotion and partnerships ...)





5. Annexes



The South Africa - Italy Summit is a multipillar platform for business engagement in and with Africa

Think Tank, responsible of identifying the most relevant topics for South Africa – Italy relations and of drafting the Position Papers presented at every edition of the Summit



Exclusive Summit for top-level political and business leaders from Italy, South Africa and their respective continents

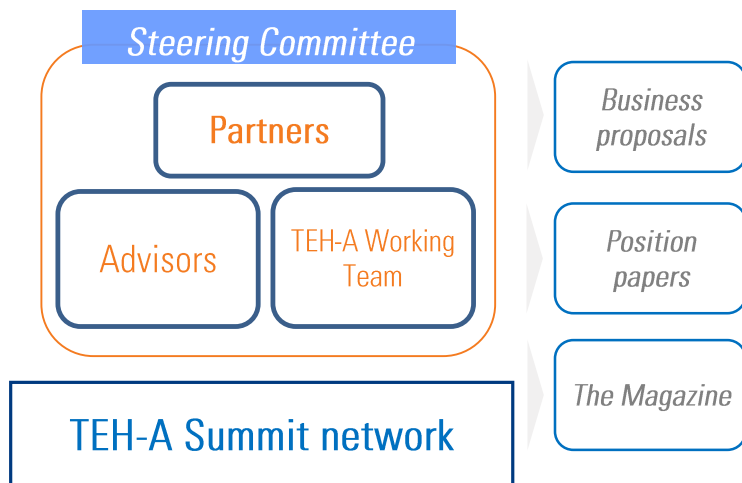
- Press releases & Editorials leading up to the Summit
- Press Conference before the start of the Summit
- Welcome Reception for all sponsors, VIP guests & speakers
- Gala Dinner as the main networking event
- Ambassadors' Cocktail Reception at the end of Summit

On-line magazine available exclusively to participants of the Summit



A key **distinctive feature** of the South Africa – Italy Summit is the **Steering Committee**, which is composed by a high caliber international Advisory Board, a TEH-A team of professionals and our Partners, working to:

- Identify and analyze **promising business sectors**
- Highlight concrete **investment opportunities**
- Put forth **advocacy actions** to foster bilateral relations
- Draft The Magazine, the platform that knit together the Summit Community during the year



Steering committee members 2018

ADVISORS

- **Shirish Soni** (Ambassador of South Africa to Italy)
- **Pietro Giovanni Donnici** (Ambassador of Italy to South Africa)
- **Paolo Borzatta** (Senior Partner, The European House – Ambrosetti)
- **Alec Erwin** (Chairman, UBU Investment Holdings; former Minister of Public Enterprises and former Minister of Trade and Industry, South Africa)
- **Maurizio Mariano** (Attorney, Founder and Director, BBM Law Firm)
- **AB Moosa** (CEO, Avalon Group)
- **Ignazio Moncada** (Chairman, Ida Capital Ltd)
- **Tseke Nkadimeng** (Founder, Moopong Investment Holding)

MAIN PARTNERS

- **Phindile Baleni** (Director General, Gauteng Province, South Africa)
- **Peter Malungani** (Chairman, Peu Capital Partners)
- **Marie-Louise Moodie** (Deputy Director General, Gauteng Province, South Africa)
- **Fabio Lazzerini** (Chief Operating Officer, Alitalia)
- **Vincent Lemaire** (Country Leader South Africa, CLN-MA Group)
- **Krishna Reddy** (Chief Capital Officer, Transnet Capital Group)



Benefits for the partners of the project

- Be member of Enjoy a privileged point of observation to benefit from the economic growth of SADC countries
- Be a member of an influential circle of business leaders and public officials - from Europe and SADC Countries - that shall **shape the two Countries' economic relations**
- Take part to discussions and seminars with **prominent guests and experts** about bilateral ties and trade strategies

Influence the **Agenda** of the Summit and the business sectors covered

Invite **guests** to the Summit and to the Gala Dinner

Customized meetings organized in preparation of the Summit and in loco

Gain **significant media coverage** and visibility in the target Country

Partners of the 2017 edition of the South Africa – Italy Summit

In cooperation with



GAUTENG
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

BBMLAW



Partners



BusinessDay

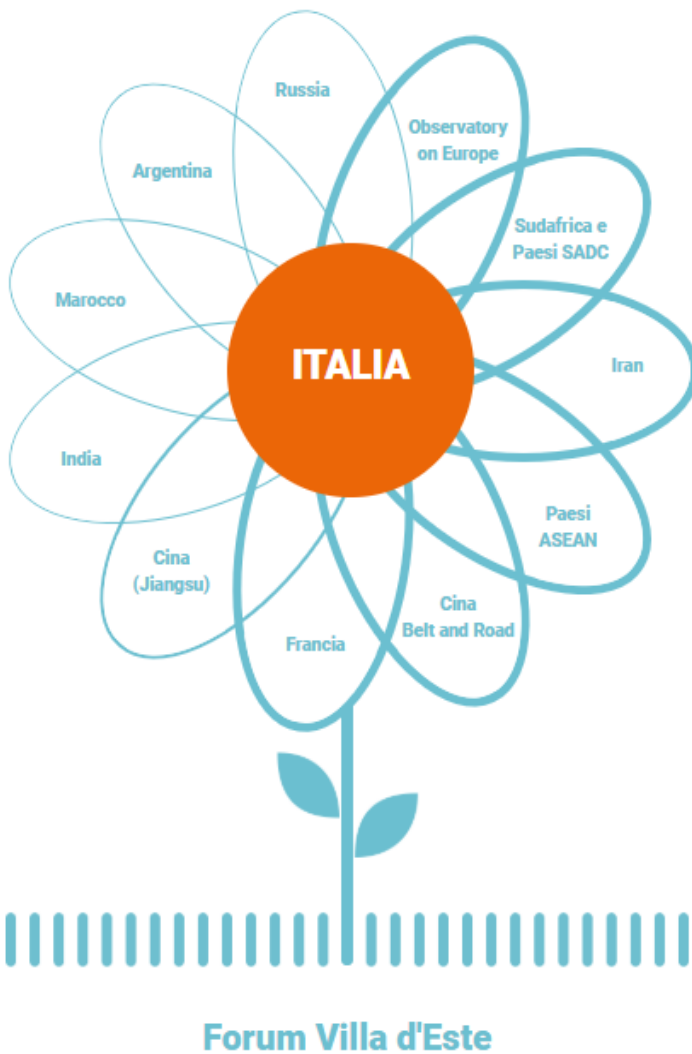
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The broader ecosystem of TEH-A Summits

- The EuBeing part of the Iran – Italy Summit platforms grants exclusive access to a **broader community of leaders**
- The European House – Ambrosetti is developing and growing several multi-country Summits with Italy and Europe at the core
- The aim is to provide a **reference linkage** between different strategic geographies and their respective leaders

TEH-A Summits



The Magazine

Only leaders write on our peer to peer Magazine, which is available online exclusively to the TEH-A Summits' participants



The European House - Ambrosetti

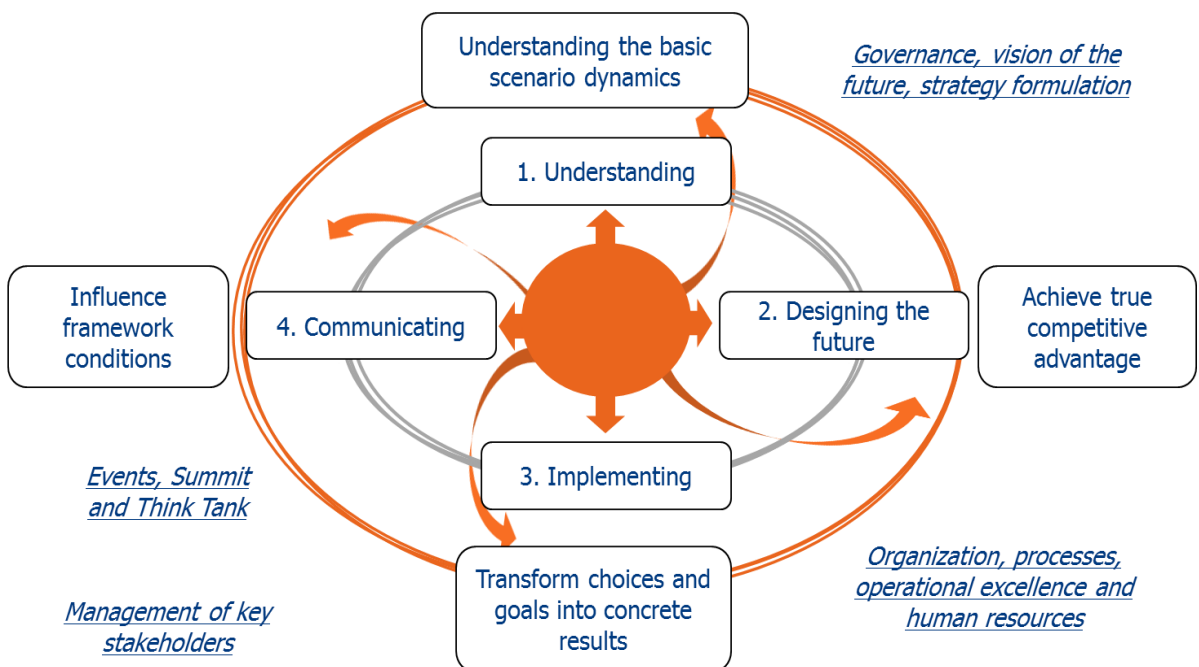


- Management consulting
- Leader's Education
- Summit Workshop and Forum
- Think Tank

Since 1965, we have been assisting our corporate clients to achieve their goals through a wide and dynamic portfolio of innovative services designed to respond effectively to their needs.

Independence, continuous search for **excellence**, **professional behavior**, **integrity** and **dignity** (helpful to all, subject to none) are our **founding values**

Since 2013 nominated 1° Italian and 4° European Best For Profit Think Tank



The Ambrosetti CLUB

In 1999, *The European House - Ambrosetti* set up Ambrosetti Club, strictly reserved for CEOs and Chairmen of Italian and multinational Groups and Companies operating in Italy.

The Club currently has over **350 members** and pursues the following goals:

- to make a concrete contribution to social and economic progress in our country;
- to contribute to the excellence and optimization of the public and private institutions that are part of it;
- to develop a privileged network of relationships between members



Meeting with Letizia Moratti, former Mayor of Milan and former Italian Minister of Education



Meeting with Corrado Passera, former Italian Minister of Economic Development and former CEO of Intesa SanPaolo

Our flagship event: Intelligence on the World, Europe, and Italy



Villa d'Este Forum is **one of the most important gatherings** of top executives taking place in the world

In 2018 we shall run the 44th edition

For three days, Heads of State, Heads of Government, Ministers, top representatives of European institutions, Nobel laureates, business leaders and experts from around the world, discuss issues, behind closed doors, of the global economy and of our society as a whole



*Christine Lagarde –
Director General, IMF*



Other high level Forums organized by TEH-A



The 2014 and 2015 editions of the South Africa – Italy Summit



The Iran – Italy Summit, Tehran



Technology Forum (Castelbrando Castle)



Observatory on Europe Forum (Bruxelles)



China-Europe Economic Forum (Tianmu Lake, China)



BCFN International Forum on Food & Nutrition

