

From Weighless to Weightless: The Digital Economy

So this is a light topic. No.

The Institute of Policy Research in Washington DC already calculated in 1996 that 447 mainly American dollar billionaires listed by Forbes magazine had a stock of wealth in excess of the annual income of the poorest half of the world's 3 billion people. Now it is predicted that digital disruption is estimated to wipe out 40% of Fortune 500 firms in the next decade.

I recently read an article by Diane Coyle (Professor at Cambridge) placed in the *Namibia Economist*, and she brought some perspective to the challenges of regulating a digital economy; 'you can use software code without stopping others from doing so, whereas only one person can wear the same pair of shoes'. I can give someone my access code, but not my once-off ticket. She says that "We live in a weightless world, not a global village". I don't feel weightless, but I get where she is going. We cannot physically value things by their weight anymore; rather their contribution. Innovation, technology, and the means of transaction (and the value thereof) has changed tremendously.

The futurist manifesto published by the magazine *Wired* is determinedly optimistic: Today's leaders entertain the possibility of a golden age in which economies are based on limitless ideas, not limited materials. They refuse to see that abundance, not scarcity, drives the future, and that widespread connection can replace widespread alienation. The optimist sees the digital society as a place of abundance, and choice. But do they know how many people are still left without these tools?

Repeating history, this creates a new platform for alienation, if not conformation. View the series "Street Food" on Netflix, it says a lot about transforming small businesses over the past 100 years, whilst maintaining heritage and culture. Steve Forbes said *the thrust of this new economy is more Jeffersonian. It gives power to individuals. It gives power to people.* Ja boet, but some people are hugely afraid of being disrupted, and rather prefer 'where they come from'.

All individuals face much greater economic and financial risks than was normal only 40 years ago. What has become our unique value proposition, and how does this benefit 'the many' and not 'the few' during ongoing disruption. What are the perceived values held in society, versus the unravelling of real value – now in competition via the digital economy. Fact; the digital giants have consumer data they learn from, much the same as cracking code. We are told what we need, and why we need it.

If digital creates competition for a 'convenience economy', we're open to being hacked into macro-management (digital monopolies) in micro-environments. It's getting the job done, better, more productively.

This talks to competition and access that is largely regulated, but by which mindset or school of learning? Is progress more important than liberty? What has been the standard and the framework for thinking about competition policy, demand, and supply, and how is this still congruent for benchmarking and competing in the digital economy? It takes upwards of 40 years for businesses to adopt new technologies.

Mind-blow-fact: the microchip in a musical greetings card contains more computer power than we had on the entire planet in 1945. And we had clever people on earth.

Insecurity and inequality weigh heavy on the scale. But I think for the right reasons; systems can be rather weightless, but people not.

Love,

Natasja

Some highlights from the past few days

10/06/2019

- Namibia Economist reports that the Deputy Prime Minister of International Relations, Netumbo Nandi-Ndaitwah said this in a statement following the recent developments in Sudan which has resulted in the loss of lives.
- Namibian Sun reports that the Chinese ambassador to Namibia has denied media reports that the Chinese government will provide funds for the construction of the Swapo party head office. The ambassador noted that the Chinese government has a clear-cut policy on non-interference, and that the Chinese do not offer any support to political parties.
- The New Era reports that the Minister of Fisheries and Marine Resources says that even though food security is mainly measured from a cereal and other staple foods point of view, total fisheries and aquaculture production accounts for about 8.4 percent of total cereal production in Southern African Development Community (Sadc). Equally, Esau explained that Sadc is well endowed with blue economy resources in the ocean, rivers and lakes, which include fisheries and other aquatic living resources, marine and aquatic transport, marine and aquatic minerals, ocean, rivers and lake tourism, as well as energy associated with these water bodies.

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- No projects have been approved since the launch of the much-talked-about Public-Private Partnership Act, which was gazetted last year. Chief economist for project appraisals in the PPP unit of the finance ministry, Johannes Shipepe, confirmed to The Namibian recently that the lack of capacity and funding as well as bureaucracy in public entities has led to PPPs being stuck at the conceptual stage, and has caused delays in rolling them out.
- More than 700 000 people are considered food insecure in Namibia. Namibia has declared a state of emergency concerning the drought situation in Namibia. The President notes that communities must support each other where possible in order to lessen the burden on those most affected by drought in the country.

- Following a strategic review in 2018, AAA has been actively seeking to expand its activities beyond the agricultural sector while still utilising its directors' experience and network in sub-Saharan Africa. AAA announced on 30 August 2018 a proposed loan facility to Comarco Group to help fund its working capital which was advanced to Comarco Group in November 2018. The consideration for the Proposed Acquisition will be satisfied by the issue of new ordinary shares to the sellers of Comarco Group (the "Sellers") at 0.5p. At the same time, VSA Capital will conduct an equity fundraising of approximately USD 15 million to fund working capital and the growth of the Enlarged Group. It is also anticipated that there will be a vendor placing of approximately USD 6 million to provide funds for the Sellers to settle existing debts and related costs including capital gains tax.

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- Zimbabwe could be a hub for agriculture, for example, as it has the land and already produces tons of tobacco. Botswana's mining activities could be increased to include a processing plant for the entire SADC region's mining activities. Angola could supply oil to the region, while South Africa and Mauritius could handle the financial sector and professional services required.
- Africa Energy Corp. is a Canadian oil and gas company with exploration assets offshore South Africa and Namibia. The Company is listed on TSX Venture Exchange (ticker "AFE") and Nasdaq First North Stockholm (ticker "AEC"). Africa Energy Corp. is part of the Lundin Group of Companies.
- Cabinet approved Namibia Oriental Tobacco's right of leasehold application for a tobacco and maize plantation in the Zambezi region. Information and Communication Technology Minister Stanley Simataa announced at a media briefing yesterday that the approval was done through the Cabinet Committee on Trade and Economic Development (CCTED). Namibia Oriental Tobacco cc, a company co-owned by Swapo regional coordinator for Oshikoto, Armas Amukwiyu, had its initial application for the N\$14 billion investment rejected in May 2015 by the Zambezi Communal Land Board.
- Namibia has decided to start issuing visas on arrival to a good number of African, Asian, European, North American, and South American countries. Briefing the media here on Cabinet resolutions, Simataa said Cabinet has approved that the Ministry of Home Affairs and Immigration commence with the pilot project of issuing visas upon arrival at Hosea Kutako International Airport.

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- Namibian Sun reports that Swapo was rattled in the Ondangwa Urban by election on Saturday by 27-year-old political novice, independent candidate Angelina Immanuel, who lost a closely fought race to ruling party candidate Leonard Sunday Negonga.

- Namibian Sun reported, Kalahari continues unchanged after killing of taxi driver, pressure groups have gathered on Friday 14th June 2019 to withdraw the military from Operation Kalahari Desert, but the police say the status quo will remain. PDM leader, MCHenry Venaani, said “Hage Geingob Chairperson of SADC must explain why he has not heard the pleas when stories of abuse surfaced. The president’s ignorance of any semblance of solution-based leadership is the reason why some people are being beaten and killed.
- New Era reports Geingob, who is the chairperson of SADC, said this in his Day of the African Child message wherein he also encouraged Namibia and the region to scale up interventions in favour of the African child and youth.
- He encouraged the Southern African Development Community (SADC) member countries to ensure their children are protected in order to secure the future of the region.
- The Patriot reports that as chances of economic recovery this year are anticipated to range from slim to none. Group Economist Kavishe David, said when it comes to global trade, we are but a small fraction in what we can affect interims of pricing. And so, a lot of what we are experiencing in terms of trade; the slowdown in commodity prices, specifically on our base metals and what we expect to be even weaker further on during the year, will have an impact on us”.
- New Era reports, the latest figures from the Namibia Statistics Agency (NSA) show that, based on the May 2019 price movements, the annual inflation rate increased to 4.1 percent compared to 3.8 percent recorded in May 2018, registering an increase of 0.3 percentage points. According to NSA, the annual increase resulted mainly from increases registered in Food and non – alcoholic beverages (from 3.9 percent to 4.4 percent), education (from 9.9 percent to 12.0 percent), transport (from 5.6 percent to 7.6 percent), communications (from -0.1 percent to 1.3 percent), recreation and culture (from 2.4 percent to 4.5 percent) and hotels, cafes and restaurants (from 3.3 percent to 4.7 percent).