



The 3 Engines of Digital China

July 2025

Jeff Towson - Basic Info

- I am a partner at TechMoat Consulting
 - We advise businesses on digital growth and customer innovation
 - We conduct tours of tech companies in China / Asia
 - I give talks at conferences and company events
- Named a global influencer by Alibaba and Huawei.
 - +3.1M followers.
 - LinkedIn Top Voice for Finance and for China for 2016-2018.
- Best selling author and former professor at Peking University, CEIBS, and Chulalongkorn.
- Also a former advisor to Saudi Prince Alwaleed, medical doctor and Burger King employee.

Companies We Cover



- **The Primary Engine of Digital China Is a +1B Digital Consumer Network**
- **The Second Engine Is Digitally Innovative Businesses**
- **The Third Engine is Continually Upgrading Digital Infrastructure**
- **After 20 Years of Advancement, Digital China Is Now Routinely Shaking the World**
- **So What's Next?**

**In 2010, China Accounted for 3-5%
of the Value of Online
Transactions Worldwide**

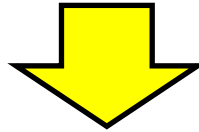
Today, China's e-commerce market is larger than those of France, Germany, Japan, the United Kingdom, and the United States combined.

In 2024, China was 50% of global online retail sales. About \$3T USD.

The Primary Engine of Digital China
Has Been a
+1B Digital-First, Consumer
Network (CDCN)

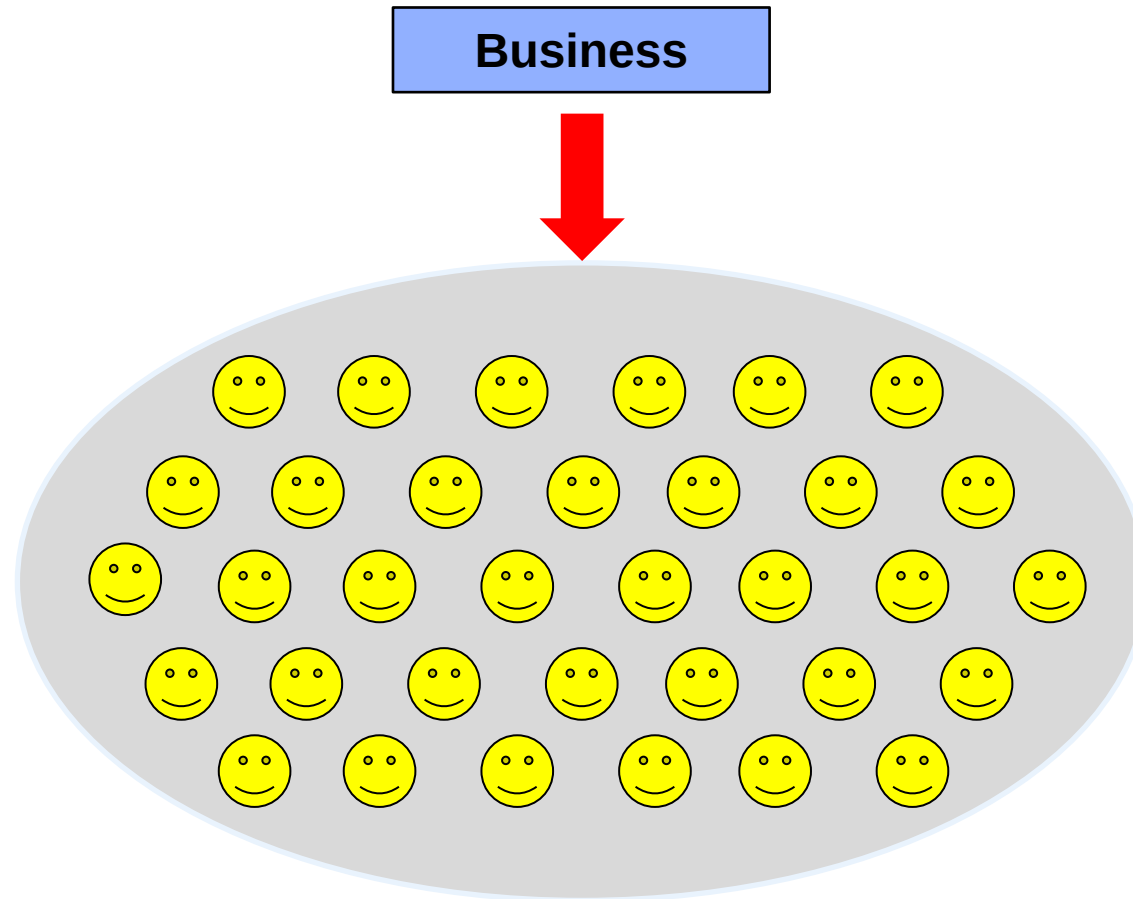
Consumer China Operates as a Connected Network

- Consumers, not enterprises, are the engine of digital China.
- The digital consumer, via their smartphone, is always on. And particularly enthusiastic.

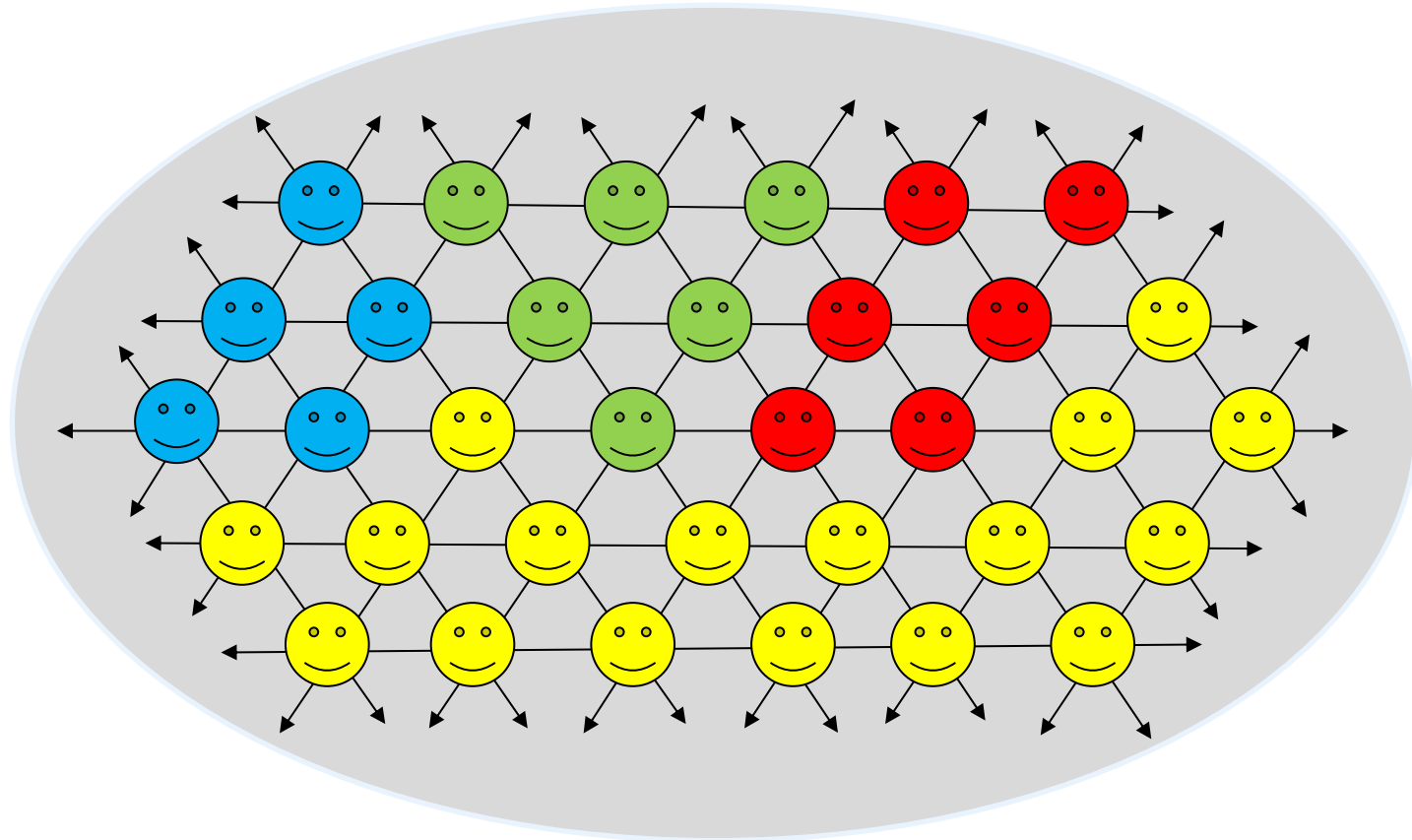


- **Chinese consumers operate as a connected network** - with rapid sharing, transactions, production and consumption. The speed and volume of interactions has been exploding.
- **Activities and businesses that tap into this network take off at incredible speed.**
 - Viral companies: Pinduoduo, Zoom, WeChat, Alipay
 - Word of mouth
 - Referrals with or without incentive sharing.

Businesses Have Traditionally Focused on One-Way Communication With Large Consumer Populations



What Happens When Consumers Become Digitized and Connected?

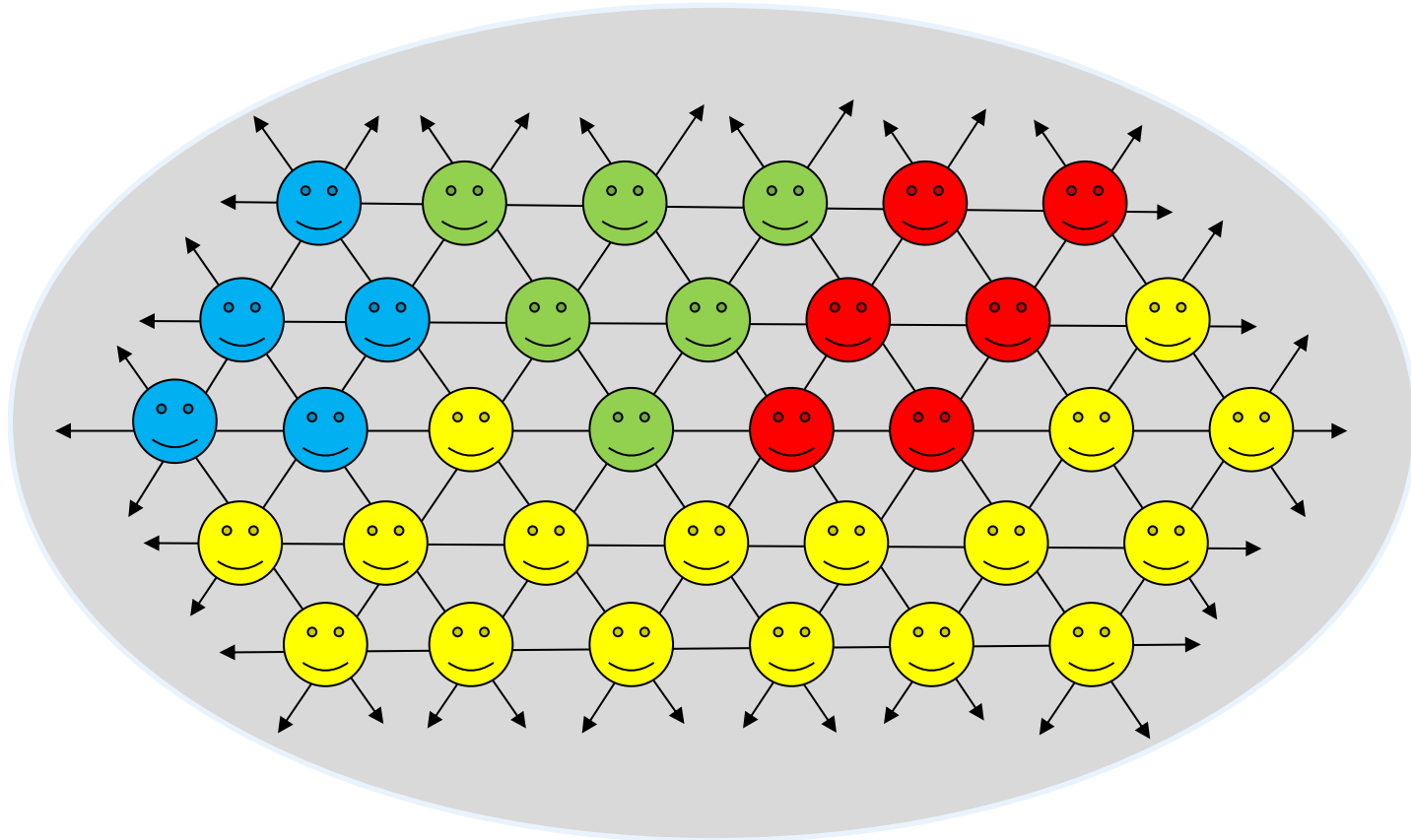


$$\# \text{ Connections} = n*(n-1)/2$$

Networks Grow in Value Exponentially

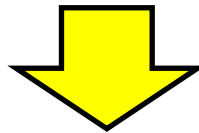
- Metcalfe's Law says the number of connections in a network grows greater than linearly with the number of nodes.
 - As you add a new a consumer (i.e., a node), it creates connections with all the existing consumers.
- In theory, this means that while China has 4x the consumers of the US, its consumer network has 17x the number of connections.
- Chinese consumers are also digital-first in their behavior.
 - It's really about the number of connections that are valuable to users – and the amount and quality of activity and interactions along those connections.
- Chinese consumers are very active digitally by every measure.
 - They create more content. They spend more time online. They are more rapid adopters of new tools and services. Chinese consumers are digital-first in their behavior and that makes the CDCN far more important.

The Biggest Connections Are in Content and Community



The China Digital Consumer Network Also Creates Tremendous Amounts of Data

- This results in **data, data, data** – which:
 - Enables new services
 - Powers machine learning and AI technologies
 - Results in precise targeting and increasing customization.



- This has big implications for GenAI

















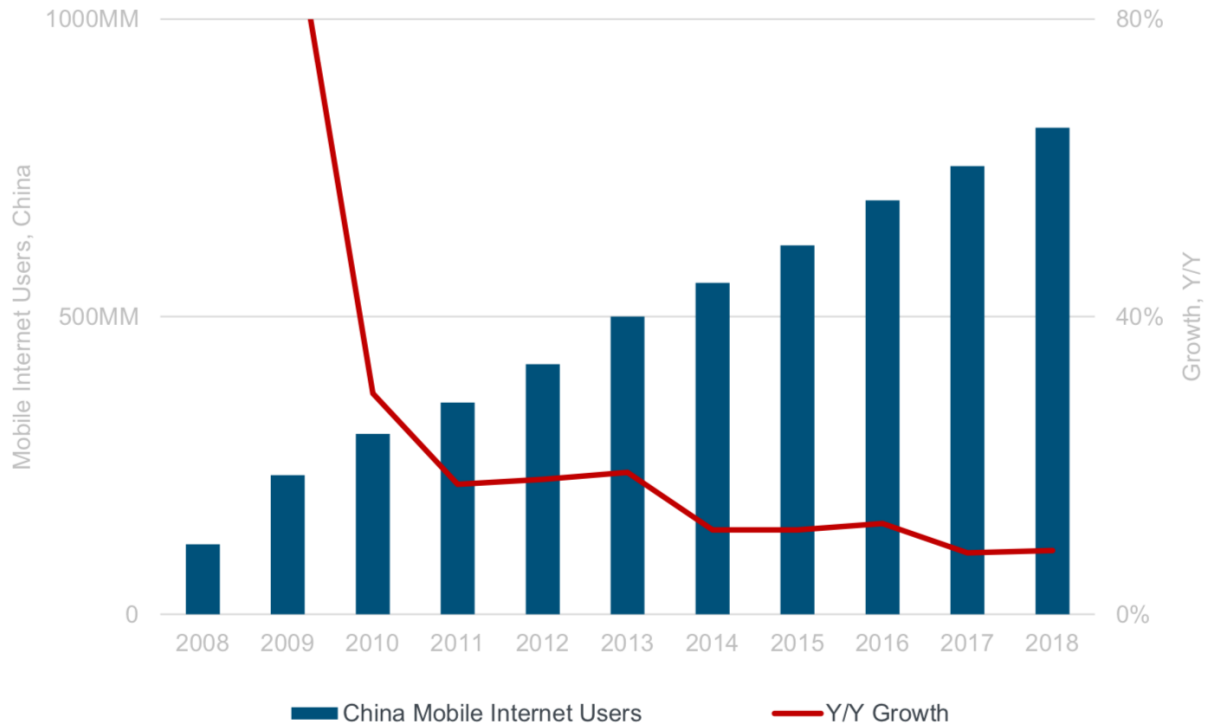






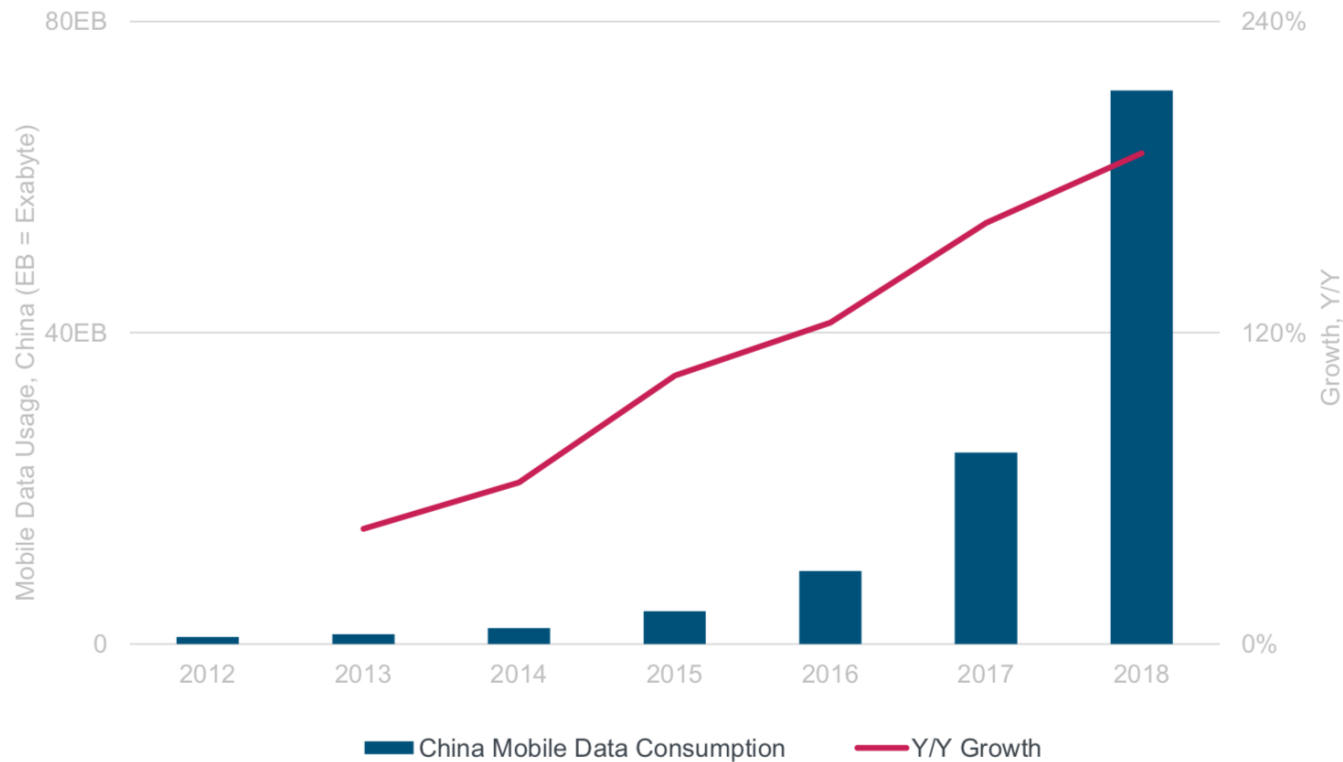
It Started With Smartphones...

China Mobile Internet Users vs. Y/Y Growth



...Plus Cheap Data Plans...

China Cellular Internet Data Usage & Growth Y/Y



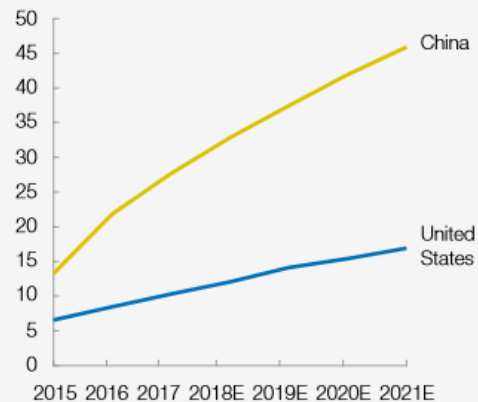
...And Mobile Payments

Exhibit 8

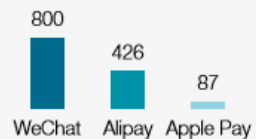
China leads in mobile payment penetration, particularly when compared with the United States.

Chinese mobile payments were more than 16 times greater than those in the United States in 2017

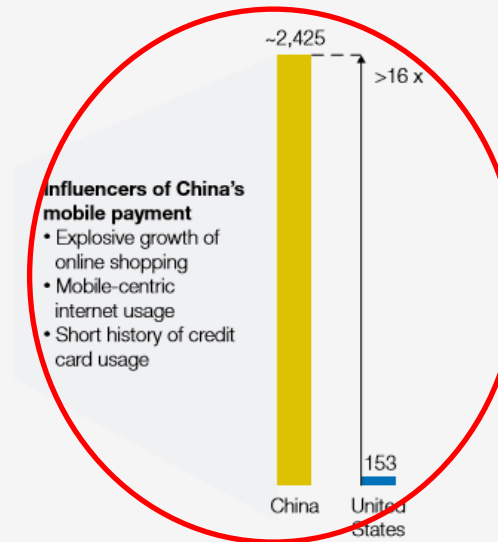
Mobile penetration for overall travel bookings,¹ 2015–21E,



Active payment app users, Q4 2017, million



Transaction value of 3rd party mobile payment, 2017
\$ billion

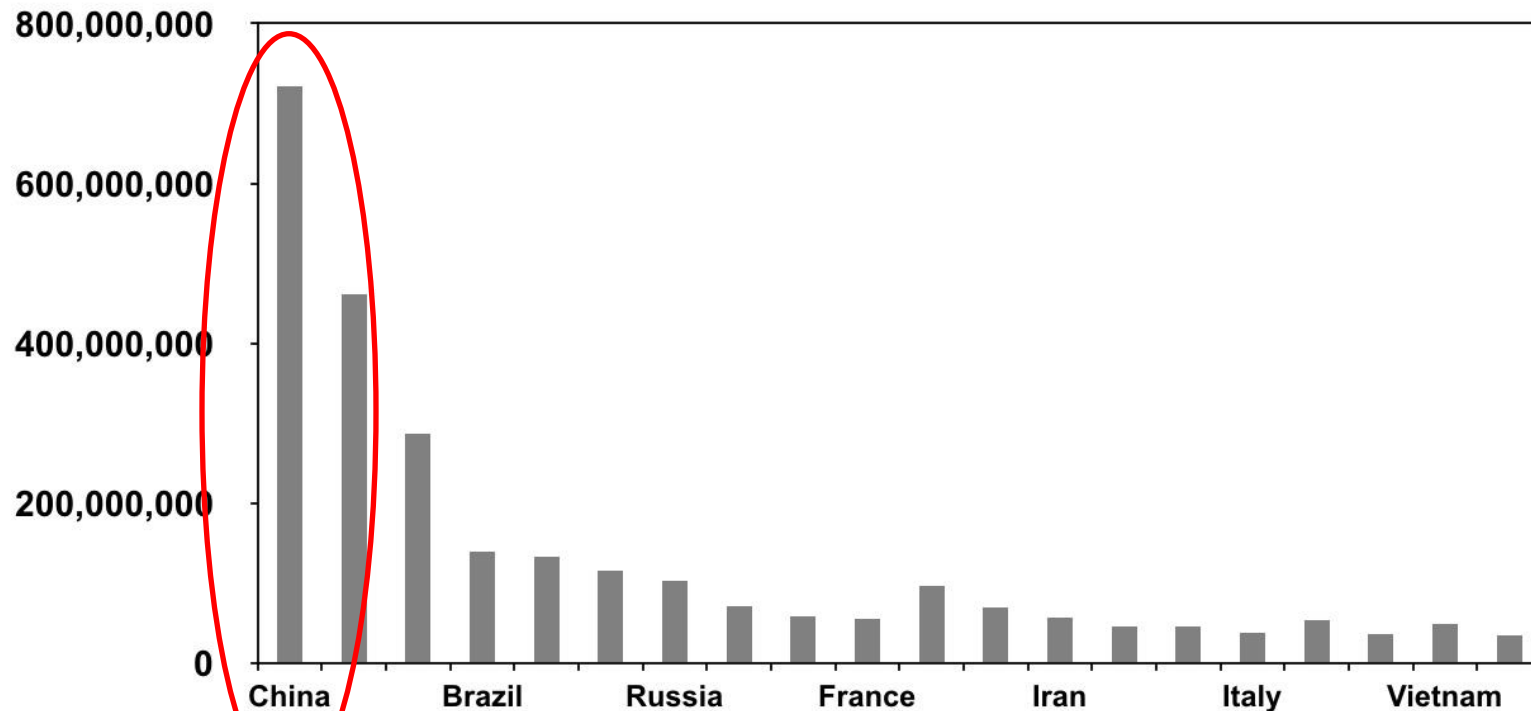


¹ Leisure and unmanaged business travel players only, excluding corporate travel players that have travel policies dictating the channels, types of travel, suppliers or fares/rates used. Corporate online booking systems, such as SAP Consur and Sabre's GetThere network, are also excluded; 2018 market size in \$ billion.

Source: Forrester; IResearch; Coney Dongre, "U.S. online travel overview seventeenth edition market sheet," PhocusWright, January 2018, phocuswright.com

...Resulting In a Critical Mass of +1B Digital-First Consumers

Internet users by country - as of 06/30/2016*



* - Europe numbers by Nov 2015
Source: Internet World Stats,

**This Was Far More Powerful in a
Developing Economy**

Dramatic Improvements in:

Consumer Experience

Productivity / Efficiency

What Is Slowing or Limiting this in East Africa?

1. Smartphone availability and adoption
2. Connectivity and affordable data plans
3. Payment ability
4. Consumer behavior
5. Merchant digitization and tools
6. Logistics / delivery ability. Rural areas?
7. Regulations and government
8. Other

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The Consumer Network Drives Business Behavior. They Have No Choice.

- Business are changing to keep up with the digital transformation that consumers have embraced and now expect.
 - **Marketing and selling to consumers means digital and social media.**
 - Zara, Budweiser and others consider China their innovation hubs for digital globally.
 - **Mobile payment is the norm.** Trying paying in cash in China.
 - International merchants are rapidly changing for Chinese tourists.
 - **Cheap and fast delivery is the norm.** On-demand delivery is evolving to a “deliver everything” model.
 - KFC and Yum China never stop talking about digital and delivery.
 - Starbucks ignored digital and delivery and gave Luckin an opening.

The World's Merchants Are Now Responding to China's +1B Digital-First, Consumer Network







天猫双11狂欢夜
2018



天猫全球狂欢节
十周年

顾家家居
KUKA



11.11
天猫全球狂欢节
十周年



Jack Ma at the End of Singles Day



Alibaba Is Always Adding Services For Merchants

Value Creation - Merchants' P&L

Illustrative P&L

Revenue	100	  
Costs of Inventory & Logistics	(55)	   
Distribution Costs	(20)	  
Branding & Marketing Expenses	(10)	         
RD & IT Expenses	(2)	    
Other Operating Expenses	(7)	       
Financing Costs	(2)	 ⁽³⁾
Profit Before Tax	4	

~3.9 Mn

Paying Merchants on China retail marketplaces⁽¹⁾

3 Mn+

Alibaba Cloud Paying Enterprises⁽¹⁾

60%

Companies Listed in China⁽²⁾
Enabled by our

Multiple Digital Solutions

Notes:
1. Number of paying merchants & enterprises for the US\$ ended June 2020.
2. Includes companies listed on the Shanghai Stock Exchange, Shenzhen Stock Exchange and ChiNext that used more than one of the digital solutions we offer as of June 2020.
3. Not a consolidated business of Alibaba Group.

Alibaba Merchant Initiatives

- For \$100 in revenue, the merchant spends:
 - \$55 on inventory and logistics
 - \$20 on distribution
 - \$10 on branding and marketing
 - \$2 on R&D and IT
- How much value can Alibaba add to merchants? How much can they decrease their costs? How much can they improve their operations? Their productivity?
- Alibaba takes a small percentage fee from the value of the services they provide. It's a take-rate of a few percent.
- They are focused on “**supply-side transformation based on customer insights**”.

Alibaba's Uni-Marketing

- Uni-marketing will give merchants and brands a comprehensive view of current and potential customers: what they watch, where they go, what they chat about, what websites they browse and so on.
- They will be able to personalize and curate product offerings in real time. This wide view will extend increasingly into the physical world as offline sales and other data is integrated.
- The old winning formula of “location, location, location” plus marketing is going away. The consumer journey is no longer about walking down the street or into the closest mall; the path now includes the home, the smartphone and soon, the smart car.



Tmall Innovation Center (TMIC)

- Integrating merchant / brand R&D and product development with ecommerce platforms.
- In 2018:
 - Mars launched Spicy Snickers (pretty good).
 - Listerine launched Rosemary Blossom mouthwash (not bad).
 - Oreo launched wasabi and other flavored cookies. To be honest, I couldn't finish the Oreos.
- In 2019:
 - Exercise coffee at Nestle
 - Morning make-up at L'Oréal

Spicy Snickers, Nestle Exercise Coffee, Wasabi Oreos and Cheese Pops



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This Consumer Network Also Shapes with New Digital Infrastructure

- **Infrastructure that is more tuned to digital consumer needs - in:**
 - Payment and credit (and financial services)
 - Logistics and delivery
 - Regulation
 - Access to low-cost labor
 - Physical stores for retail and services
 - Smart cities are being built
- **Ecommerce and by extension any digital-related service that needs infrastructure is going to be better in China.**
 - Amazon is struggling to integrate with Whole Foods.
 - Amazon Go stores are anemic.
 - Meanwhile, Alibaba (and JD) is rapidly re-writing the rules of retail.





Jeff Towson photo

“Only through building the digital infrastructure for logistics can we truly enable and push the industry forward,”

“Digitizing parcels is not enough. We are working with partners to digitize warehouses, equipment, transportation vehicles [and] warehouse pickers’ handheld devices.”

- Daniel Zhang, Alibaba Group CEO



Invest for Future Growth

Profitability

Alibaba Cloud

Traction

Seeds

淘宝 Taobao TMALL 天猫

1688.com 阿里巴巴国际站 Alibaba.com

YOUKU

IoT
Tmall Genie



DingTalk



AliExpress
Trade Assurance

KAOLA

饿了么 Ele.me

菜鸟网 CAINIAO

Lazada

天猫国际

TMALL MART

盒马

Innovation Initiatives

DME

Cloud Computing

Core Commerce

Soil = Technology and Consumer Insights



Growing Into Big Trees...



Expecting to Turn Profitable
within FY2021



Expecting Operating Cash Flow
to Turn Positive in FY2021

**New “Infrastructure of Commerce”
Is**

New Retail (Digital Plus Physical)

+

Smart Logistics

+

Cloud / AI

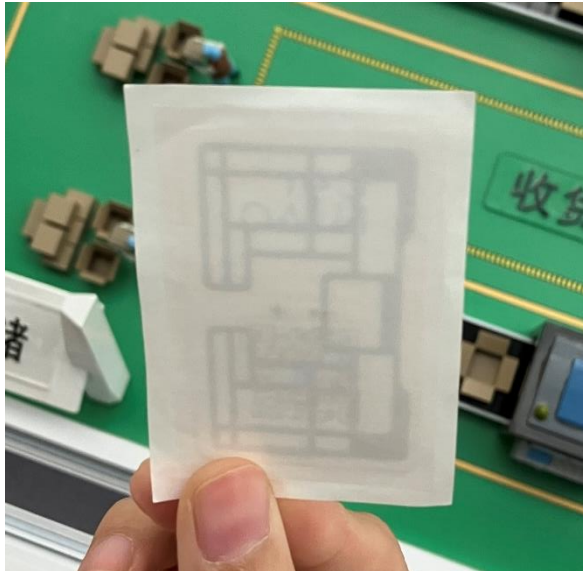
Smart Transportation



Smart Warehouses



RFID -> IoT Tracking



www.jeffreytowson.com

智能灯条 WIRELESS LIGHT BAR

用灯光指引取件，找件速度快至秒级

Use light for pick-up in seconds



+170k Cainiao Post Locations



CAINIAO POST



Overcoming the daily peak of 350 million packages

More than 170,000
Cainiao Post stations
nationwide

More than 100,000
communities served

More than 200 million
app users



On-demand door- to-door services

Nearly 80% of Cainiao
Post stations offer a
door-to-door delivery
service

On a busy day, more
than 10 million
parcels are delivered
door to door



Free storage, fast collection

Collecting a parcel
from Cainiao Post
takes just 1 minute

Nighttime collection
is available at more
than 1000 Cainiao
Post stations



Joint delivery offers express delivery service in rural areas

More than 50,000
Village Service
Stations

Joint delivery
covering more
than 1,300
counties



Digital Cainiao Post: Technology- enabled collection

Nearly 2 million
digital devices are
used in Village
Service Stations

AGVs serve 400
universities



Scan code
to view







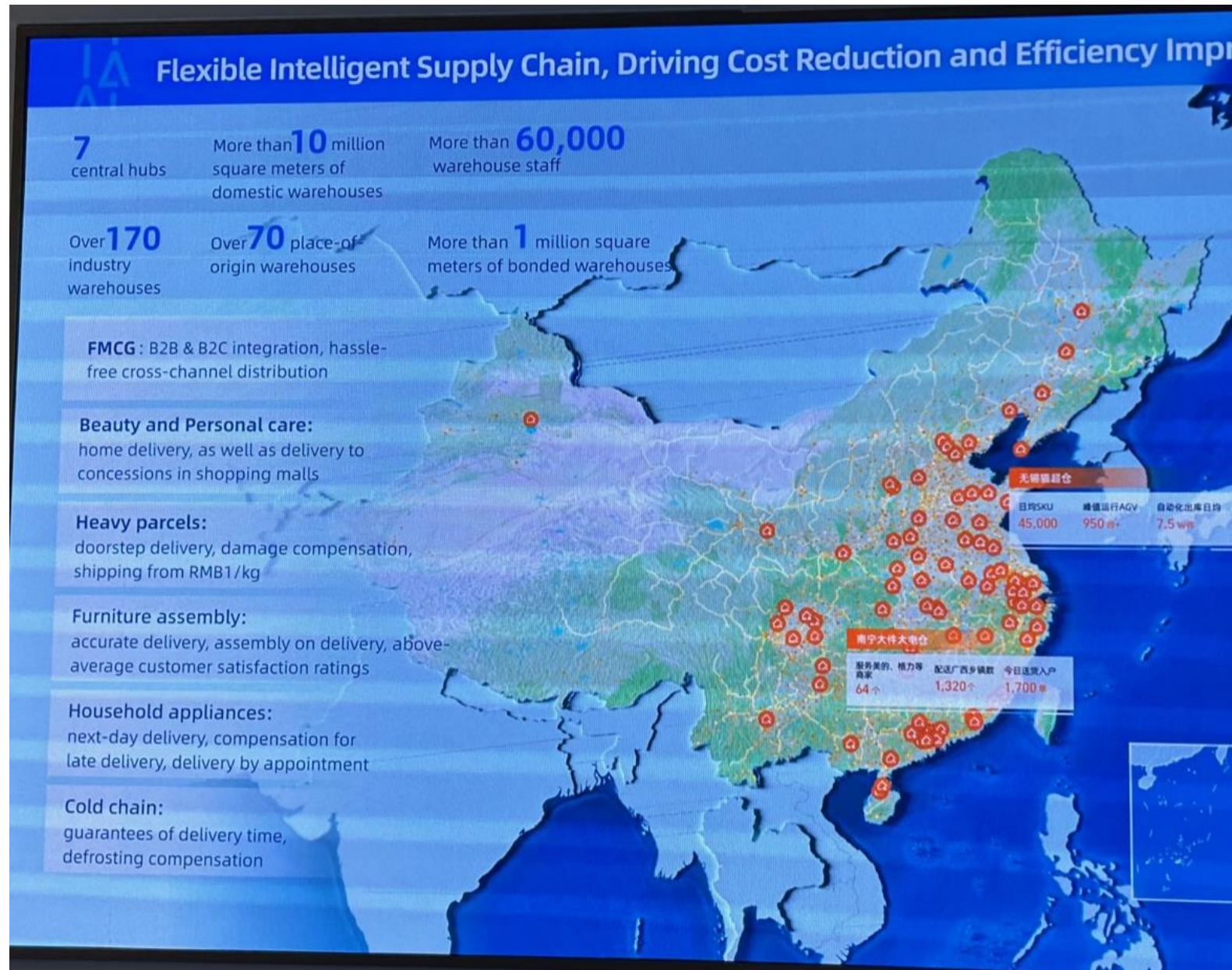
智能灯条 WIRELESS LIGHT BAR

用灯光指引取件，找件速度快至秒级

Use light for pick-up in seconds



Logistics Network -> Supply Chain



Welcome to Cainiao



Now Going Global Rapidly

全球数智物流设施资产管理者

国内物流设施服务

全球物流设施服务

产业园设施服务

航空地服

数智资管



4 大eHub



吉隆坡eHub

帮助客户快速覆盖
东南亚各国主要城市



列日eHub

打造欧洲物流枢纽节点
服务中欧间物流生态



中国香港eHub

全球企业在亚洲地区的 电商货运枢纽



曼谷eHub

服务泰国经济主动脉

3 大cHub



雅加达cHub

大雅加达地区重要的
本地物流枢纽



胡志明cHub

辐射越南南部消费市场



同奈cHub

链接越南南部供应链网络



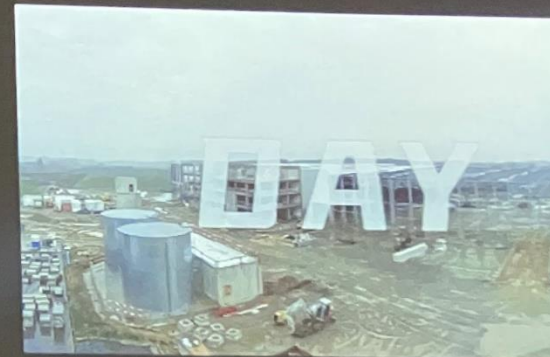
菜鸟中国香港eHub

规模领先

厦岛最大eHub项目，香港机场东

区位优势明显

距香港机场货运站仅500米，距葵涌货柜码头28公里，距香港港口40公里。



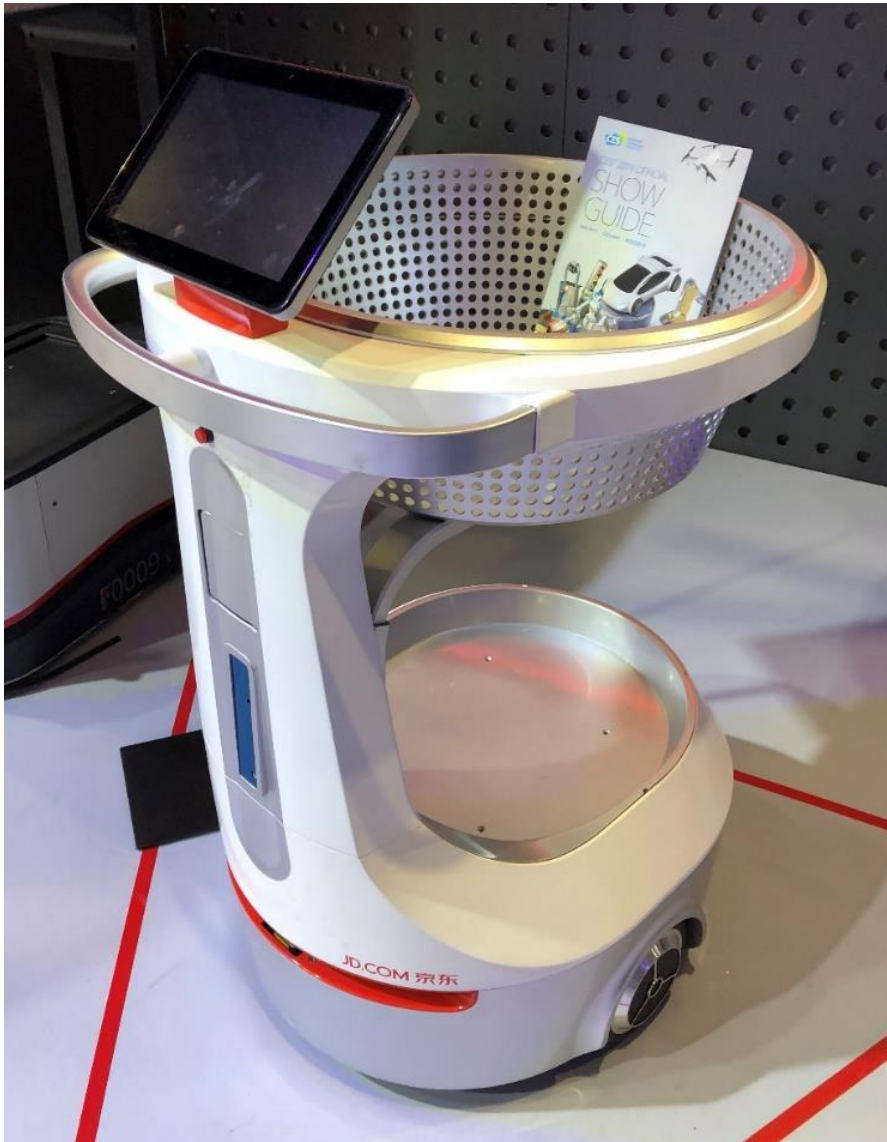
比利时列日eHub

菜鸟在欧洲核心的物流枢纽，让来自中国的跨境包裹在列日当地的达卡班网络、建成欧洲7大分拨中心、布局上千末端自提柜，扎家港

Digital Ecommerce Giant JD Is Also Focusing on Infrastructure









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Digital China Shakes the World

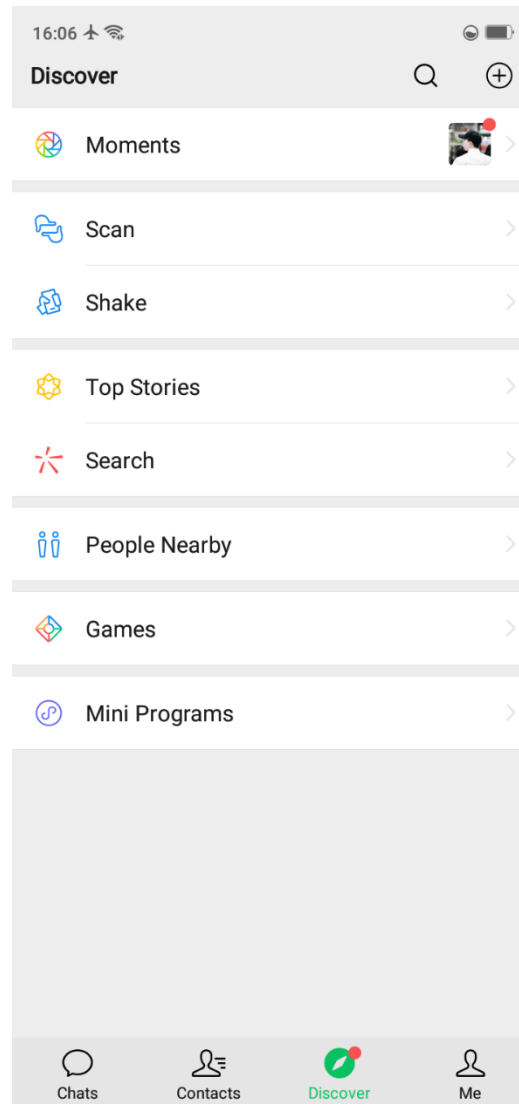
- **Messenger and Mini-Programs (WeChat)**
- **Live Streaming (Taobao Live)**
- **Short Videos (TikTok)**
- **DTC Ecommerce (Shein, Temu)**

WeChat Creator: Allen Zhang

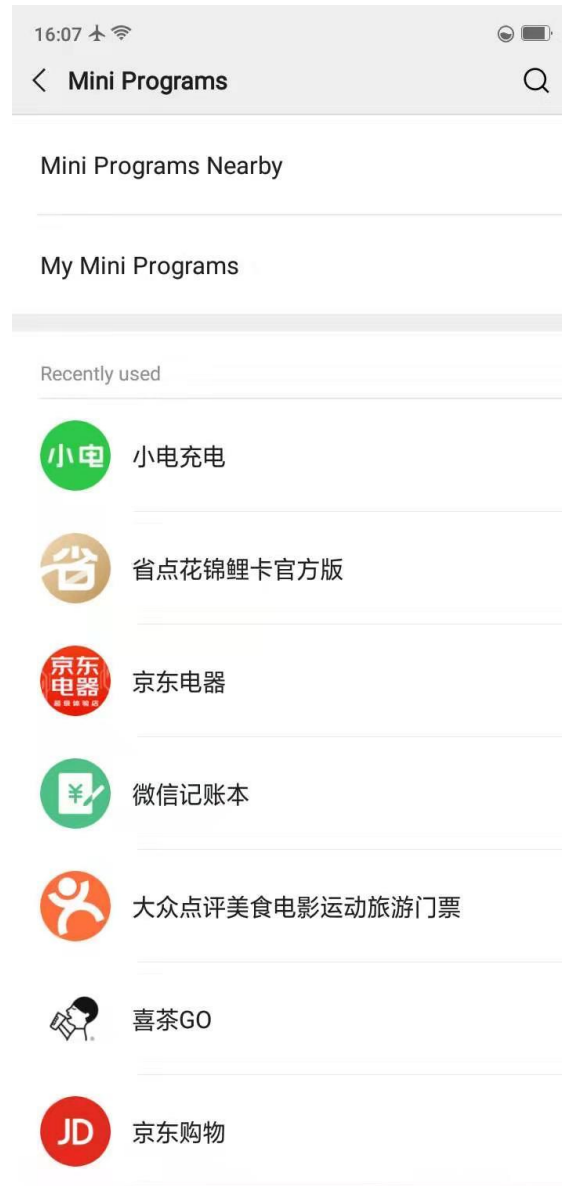
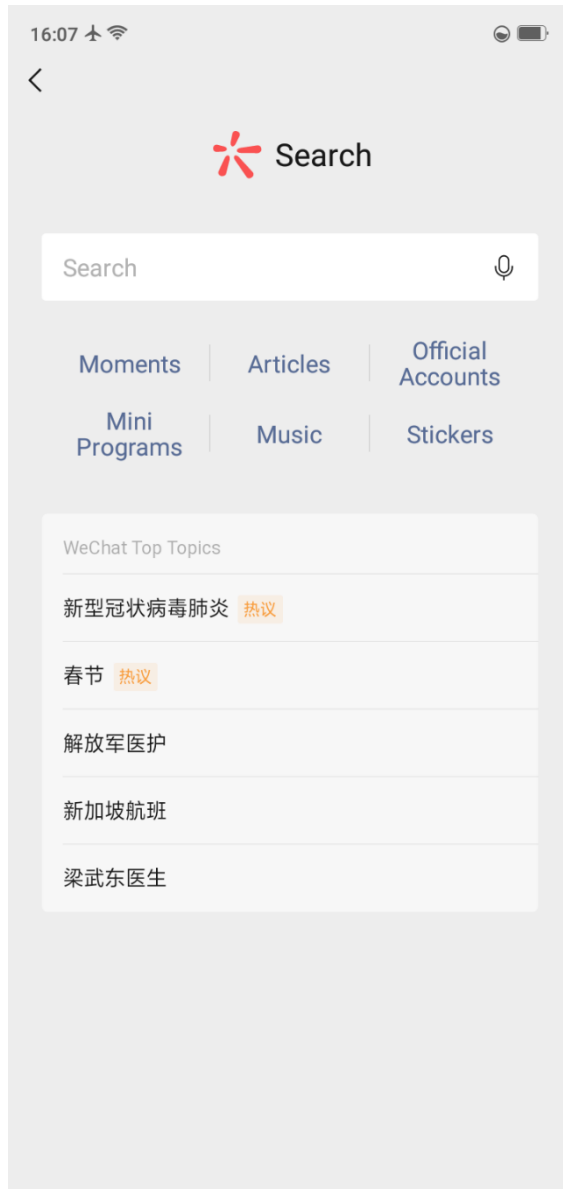


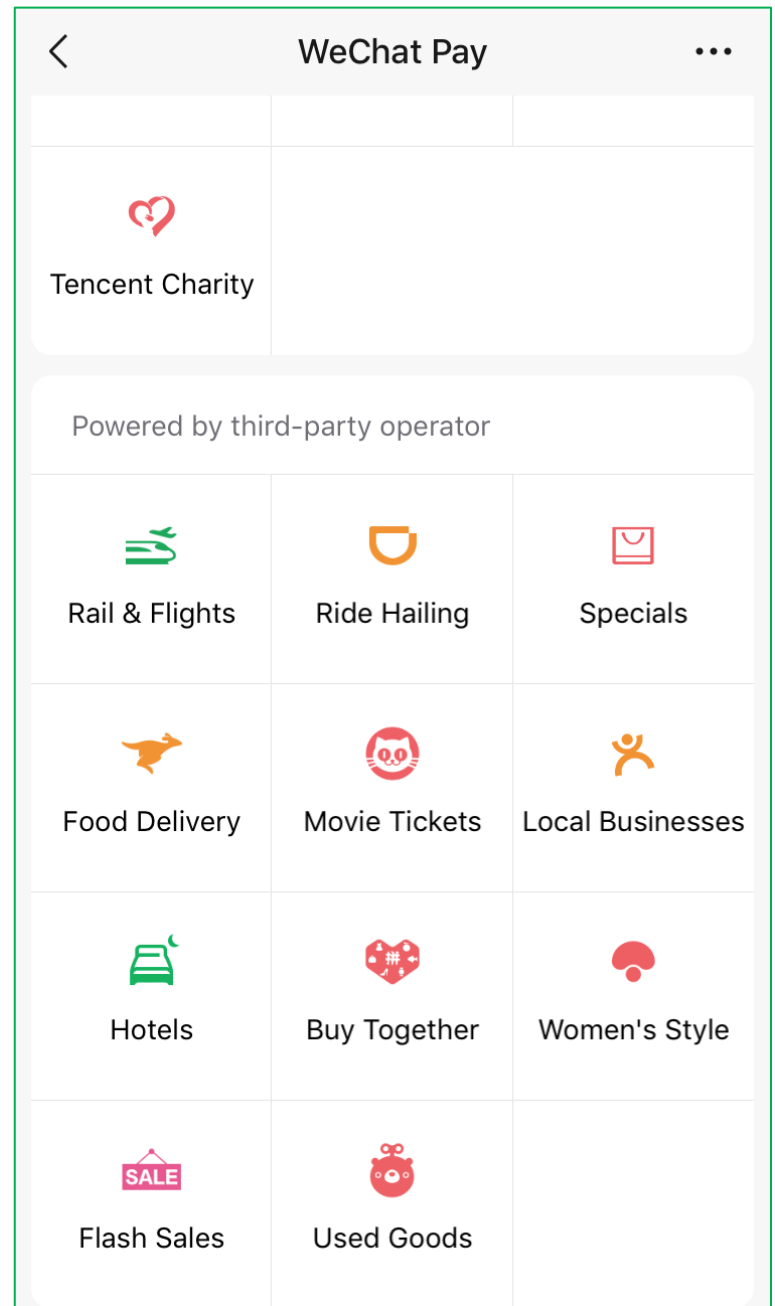
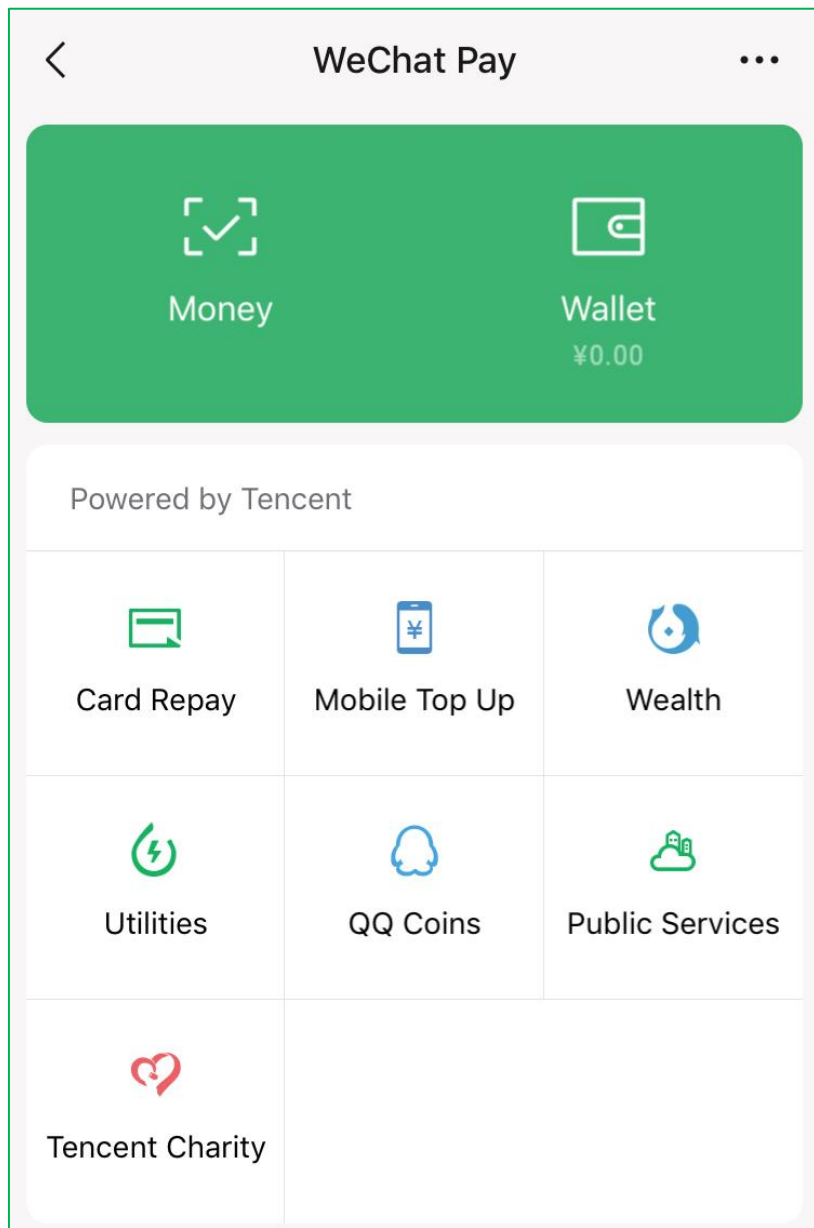


WeChat (Weixin) Is #1



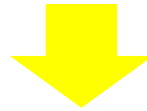
WeChat (Weixin) Is #1



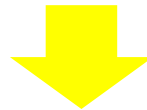


WeChat's Evolution

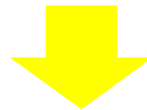
Messenger



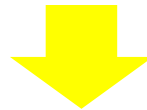
Payment



Mini-Programs



Mini-Games



Search

China Influencer Viya



China's Influencer Viya

- Viya, a live streamer on internet giant Alibaba's online shopping website Taobao, held the **record of selling \$66 million worth of product in a single day.**
- On Singles' Day 2020, Viya's channel had 149 million views.

- Skincare products, feminine hygiene goods and household cleaning items are among the most popular categories at this year's Singles' Day shopping festival
- More than 400 Alibaba executives and 300 celebrities will hold individual live-streaming sessions on Taobao Live



Chinese Influencers

- Much more powerful than in the West
- Not just information. But opinions and influence.
 - Can influence buying decisions for products.
 - Can also sell their own products.
- Can have lots of followers or few followers. It's more about the depth of the relationship and trust.
- A true influencer is an expert, is trusted and has a relationship with his/her following.



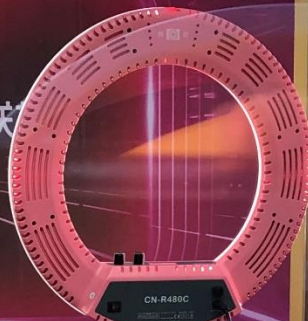






天猫全球狂欢节
2019

2019 天猫双11全球狂欢节

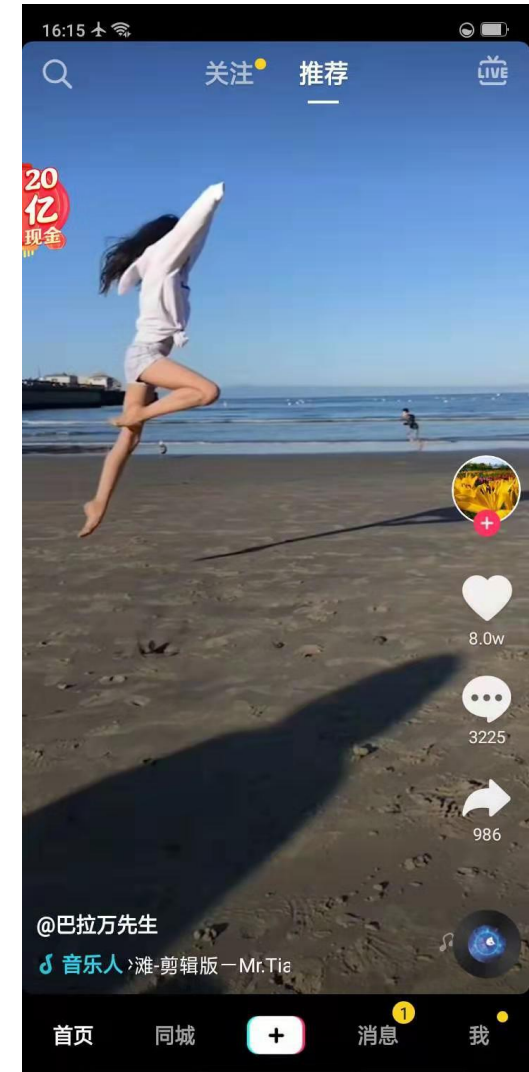
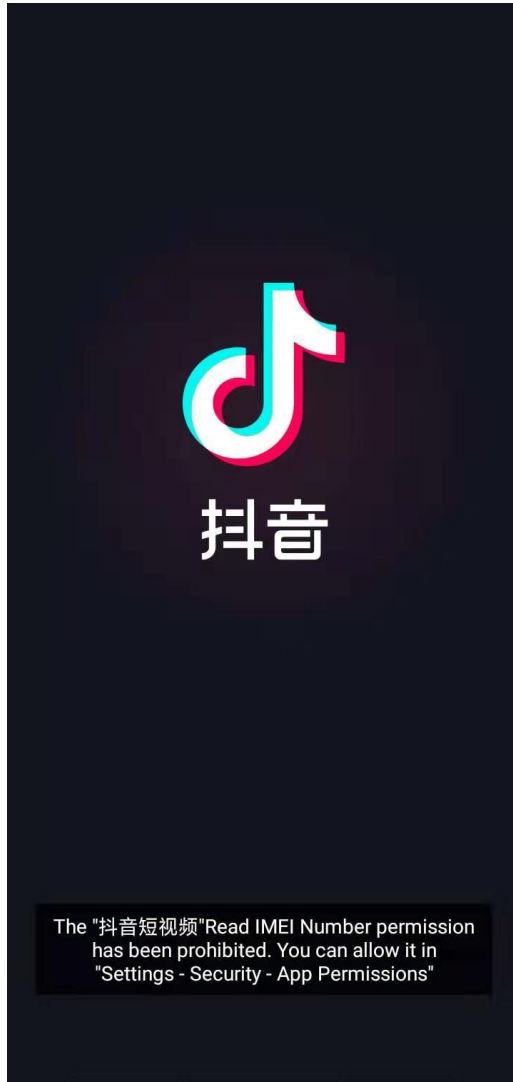




Live-Streaming: TaoBao Live

- Launched in March 2016, based on Taobao the largest e-commerce site in China. 425M active users in 2018.
- 70% are women. Popular categories are clothing, cosmetics and maternity. Women are 80% of live-stream users. Typically active between 8-10pm.
- 30% are men. Popular categories are electronic products and sportswear.
- 43% of users are 24-30 years old.
- Most users access 4.6 times per day for 25 minutes.

Douyin / TikTok Shocked the World

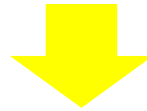


History of ByteDance

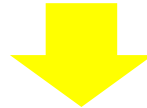
- About ByteDance
 - Founded in March 2012 in Zhongguancun, Beijing.
 - No backing by Baidu, Tencent or Alibaba (important).
 - In August 2012, released **Jinri Toutiao – an AI powered news aggregation app.**
 - In July 2017, hit 600M registered users.
 - In 2018, surpassed Tencent News in MAU, DAU, daily time spent and daily engagement count. Peaked around 2020.
 - Tried to go global in 2015 with TopBuzz. Failed. TopBuzz shut down in 2020.

ByteDance's Ongoing Innovation

Toutiao / News Aggregator



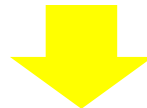
TikTok / Short Video



Ecommerce



Other Content Matching Apps



Search?

Targeting Short Video

- In 2016, **ByteDance** launched 3 apps in the short video space.
 - Douyin
 - Xigua (from Toutiao, became long video)
 - Huoshan (15 second videos)
- About Douyin
 - Launched in August 2016,
 - **Began with short video clips up to 60 seconds. Targeted at younger viewers.**
 - Create and share dancing, lip-syncing, comedy and talent videos
 - Focused on sharing and the creation of memes
 - Designed for the smartphone. Full screen videos, endless streams and easy swiping.
 - Took 18 months to reach 100M MAUs
 - **Surpassed competitor Kuaishou in 2018 in China.** Reached 600M DAU in 2020 (double Kuaishou)

In 2021, Shein Got Everyone's Attention

- Chinese online apparel brand and retailer Shein surpassed Amazon (briefly) as the #1 downloaded ecommerce app in the USA.
- People are remembering how TikTok did the same thing to Facebook 1-2 years ago.
- There are unconfirmed reports of 100% year-over-year revenue growth for Shein, reaching \$10B in 2020.

In 2021, Shein Got Everyone's Attention

10% OFF on Orders of \$29+ | 15% OFF on Orders of \$69+ | Code: FAMILYFUN | 02 H 50 M 43 S

WOMEN CURVE + PLUS Hot KIDS MEN BEAUTY

SHEIN

Free Returns in the U.S.

NEW IN #SHEINX TRENDS CLOTHING DRESSES TOPS SWIMWEAR SHOES & ACCS HOME & PETS SALE EXPLORE



FREE RETURNS
*US only

FREE STANDARD SHIPPING
on orders of \$49+

afterpay
Shop now, Pay later. Always Interest-free

EXTRA 10% OFF
your first order



#SHEINfamilyfun

PEEP OUR

MATCHING APPAREL

UP TO 80% OFF

SHOP NOW



GET EXTRA 10% 

In 2021, Shein Got Everyone's Attention

Category

- ☐ Dresses
- ☐ Suits & Separates
- ☐ Coats & Jackets
- ☐ Co-ords
- ☐ Sweaters & Cardigans
- ☐ Tops

+ View More

Size

- ☐ one-size
- ☐ XS
- ☐ S
- ☐ M
- ☐ L

+ View More

Style

- ☐ Sporty
- ☐ Casual
- ☐ Basics
- ☐ Preppy
- ☐ Boho
- ☐ Sexy

+ View More

Sleeve Length



4pack Solid Crop Tank Top

US\$19.00



4 Pack Solid Tank Top

US\$18.00



Solid Drawstring Side Tank Top

US\$8.00



SHEIN X WEJDENE High Waist Destroyed Mom J...

US\$25.00



Striped Tie Back Crop Halter Top

US\$7.00

Tan Petal



Raw Hem Ripped Denim Shorts

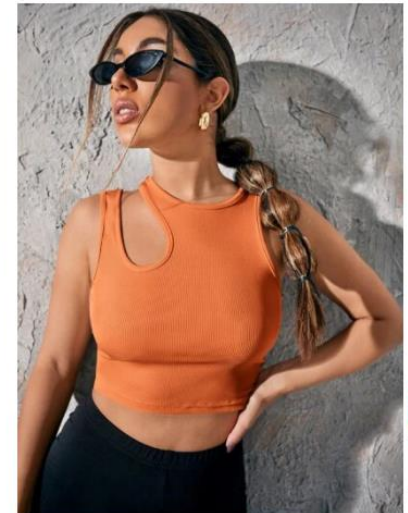
US\$17.00

US\$16.15



Angel & Letter Print Contrast Stitch Tee

US\$9.00



Asymmetrical Neck Rib-knit Crop Top

US\$7.00



Very Little Information is Available

- Here are some of the numbers people are pointing to.
 - “Shein ranks as No.1 in the iOS App Store’s Shopping category for 56 countries, and garners a top 5 spot for 124, out of total 174.”
 - “Since mid-February, Shein has seen an unbroken run of being ranked second only after Amazon for shopping apps in the United States.”
 - “Shein’s website ranks 1 in the world for web traffic in the fashion and apparel category, according to SimilarWeb, putting them ahead of household names Nike, Zara, Macys, Lululemon and Adidas.”
 - “The average duration of a site visit is estimated at 8 mins 36 seconds, higher than every major US fashion brand.”
 - “A [recent report](#) claimed Shein was the most talked about brand on TikTok in 2020.”
- **Shein (reportedly) launches +1,000 new products every day on its sites. +5,000?**

Chris Xu Is Really Good at Cross-Border Ecommerce...

- Founded by Chris Xu in 2008, shortly after his graduation from a university in Qingdao – and after a short stint as a consultant in cross border ecommerce (doing search engine optimization).
 - It was originally focused on cross-border sales to the US.
 - It finally got some traction by selling wedding dresses and other “customized, special occasion apparel”. Think wedding dresses, graduation dresses, bridesmaids, groom wear, and formal evening wear.
 - The low price of Chinese apparel manufacturing was attractive to American buyers of wedding dresses. It was their break-out product and apparently one of the hot products for US-China commerce (second only to electronics).

Chris is Really Good at Social Media

- Shein is particularly agile in digital marketing, social media and influencer marketing.
 - The founder's background is both in cross-border ecommerce and SEO.
 - Shein was early to Pinterest and was one of its top sources of traffic in 2013-2014.
 - Jumped on TikTok early.
 - Big traffic on YouTube.
 - They are also on Facebook, Amazon and AliExpress.

Enter DTC From Chinese Manufacturing

- **A US-China cross-border online direct-to-consumer (DTC) retailer.**
 - They do not sell in China.
 - Shein describes itself as an “international B2C fast fashion e-commerce platform” with business in more than 220 countries and regions around the world.
- **This DTC approach with direct connections to manufacturers is common in China.**
 - The domestic space is notorious for brutal competition and low prices.
 - This looks like a cross-border version of this.
 - Americans are basically buying clothes at Chinese prices.
- **Shein focuses overwhelmingly on women’s fashion.** And on young women. They reportedly get most of their activity from Gen Z women, who are active on social media and TikTok.

Then Came Temu and Pinduoduo

Which Are Attractive for East Africa?

1. Ecommerce
2. Mini-programs
3. Short video
4. Live streaming
5. Cross-border and DTC ecommerce

- **The Primary Engine of Digital China Is a +1B Digital Consumer Network**
 - **The Second Engine Is Digitally Innovative Businesses**
 - **The Third Engine is Continually Upgrading Digital Infrastructure**
 - **After 20 Years of Advancement, Digital China Is Now Routinely Shaking the World**
-
- **So What's Next?**

- **GenAI (DeepSeek, Qwen)**
 - **EVs and AVs (BYD)**
 - **Robotics (Unitree)**
- **New Manufacturing (Alibaba)**
- **Smart Cities (Alibaba City Brain)**

GenAI Leaders from China

Here is DeepSeek. You can try it for free here:

- chat.deepseek.com

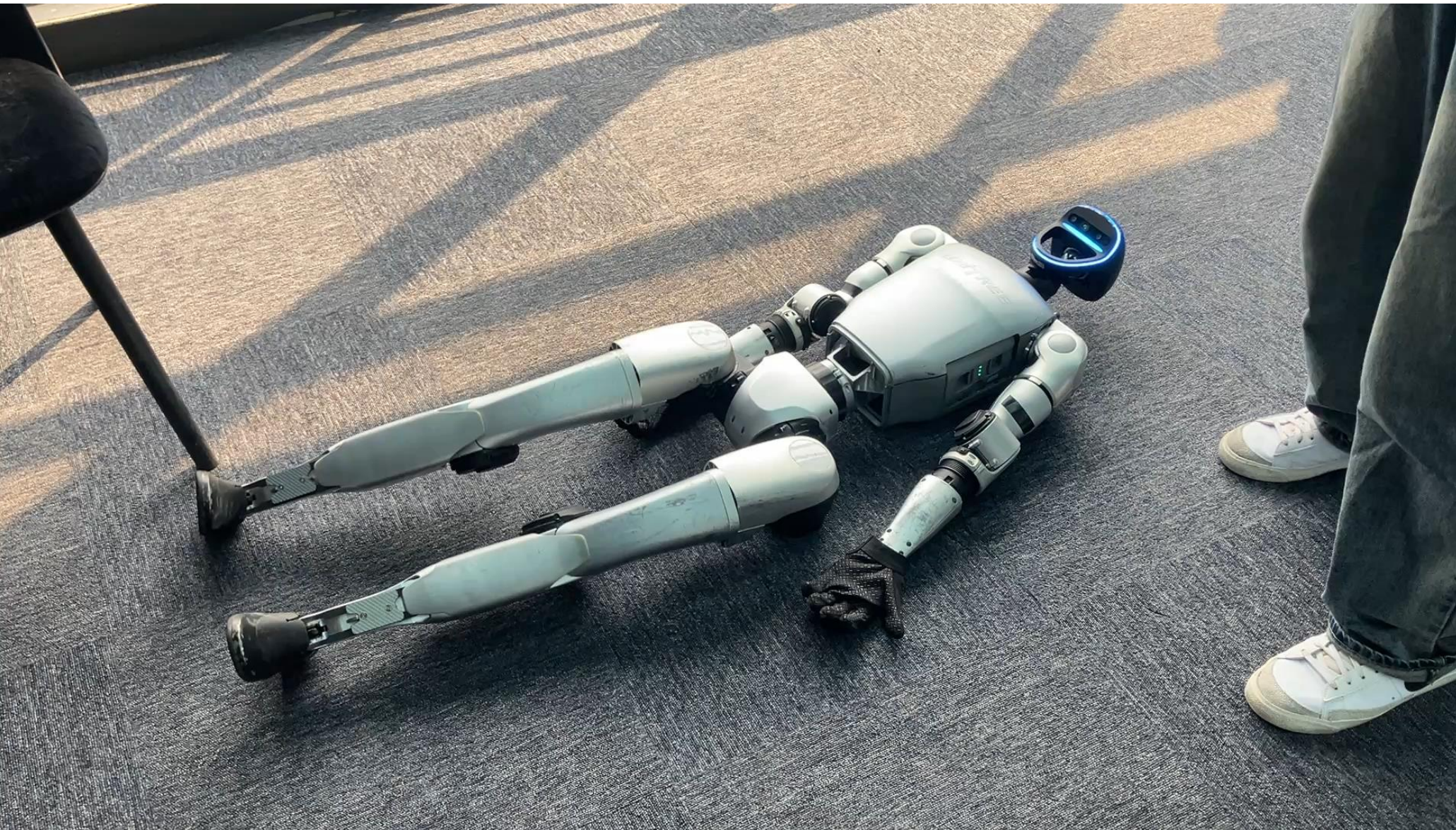
You can try Alibaba's Qwen here:

- <https://chat.qwenlm.ai/>

You can try Kling AI for generative video here:

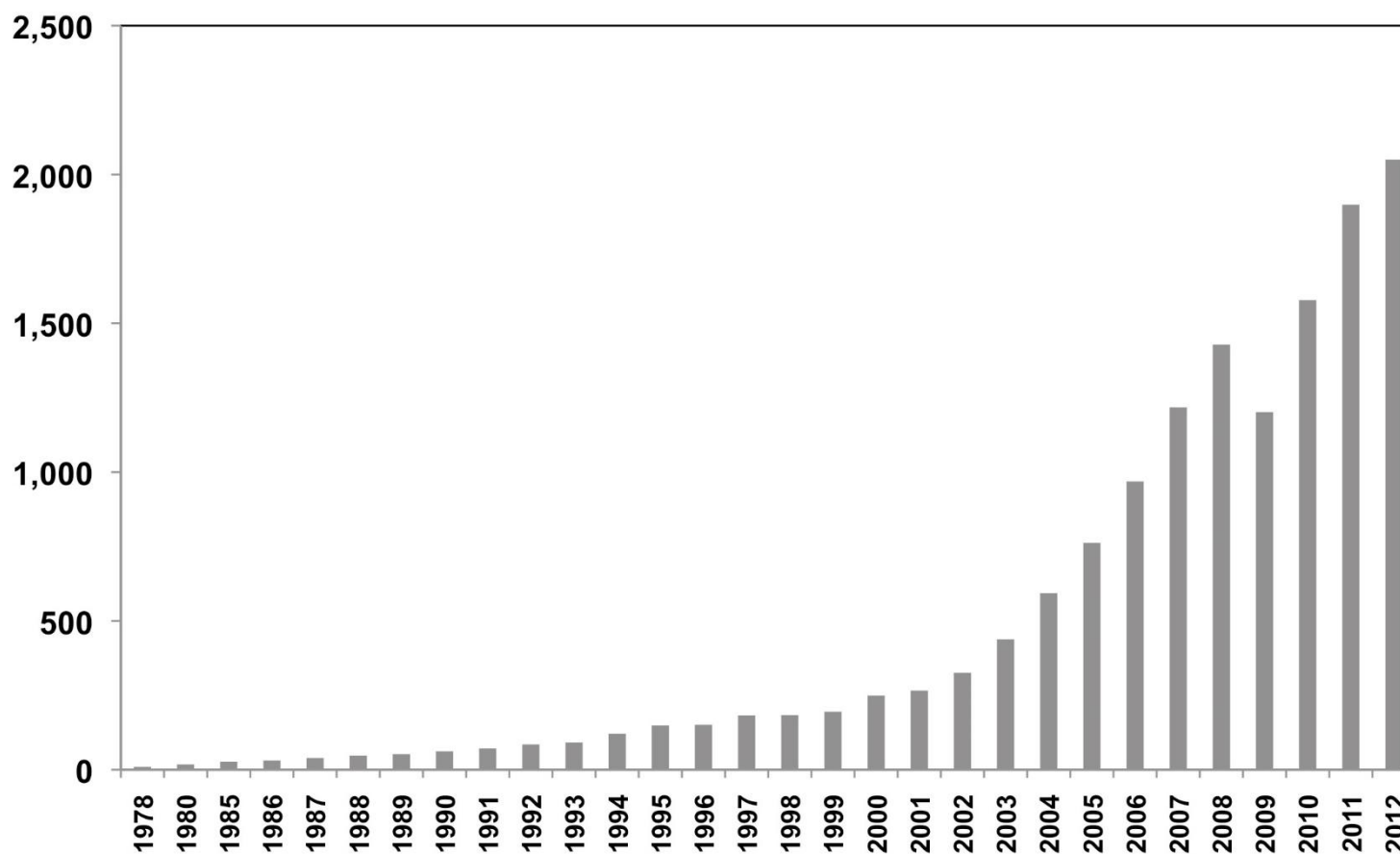
- <https://klingai.com/>





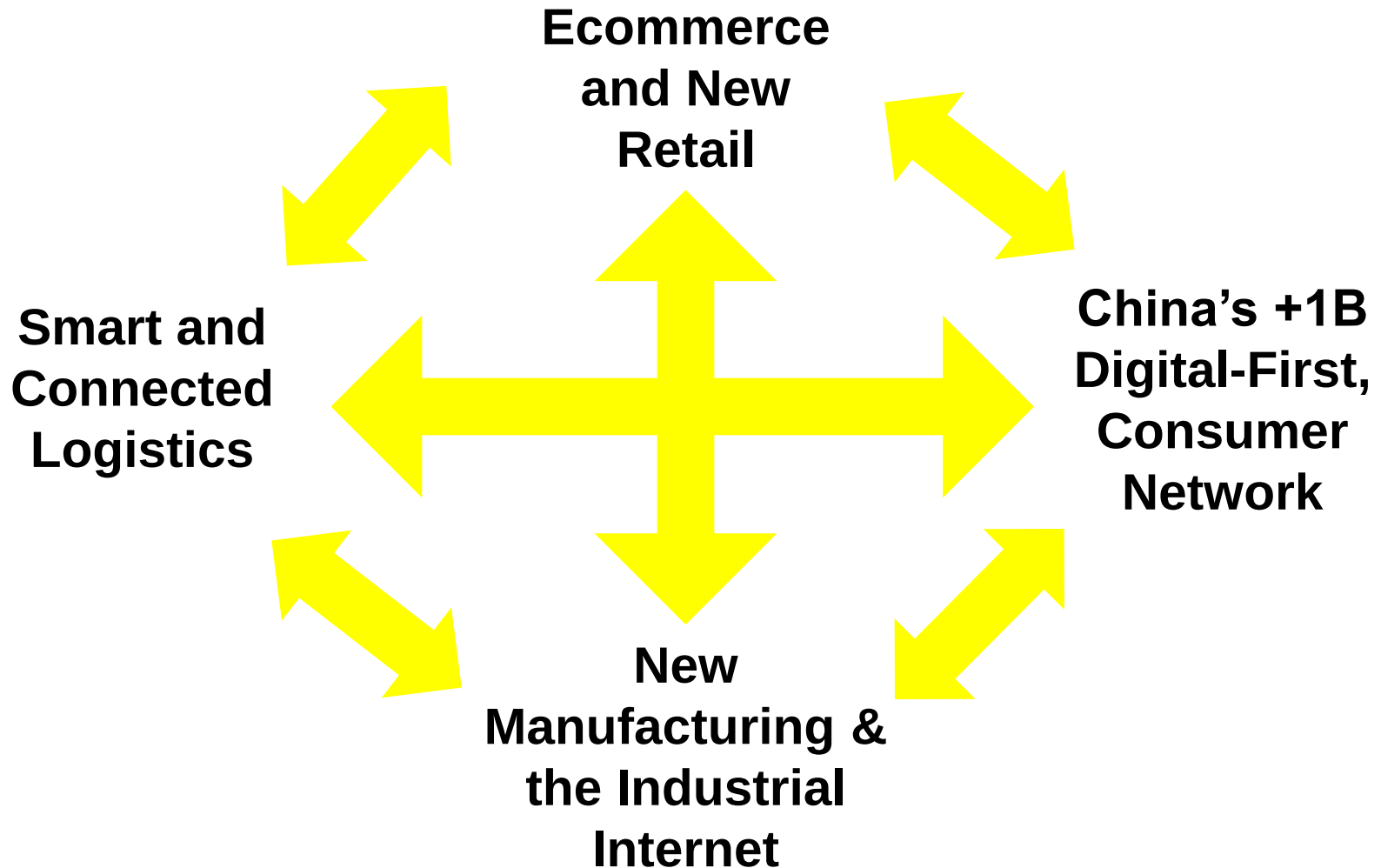
What Happens When You Digitize the World's Largest Manufacturing Ecosystem?

Chinese exports (M USD) over time



Source: China Statistical Yearbook

China Is Closing the Digital Loop



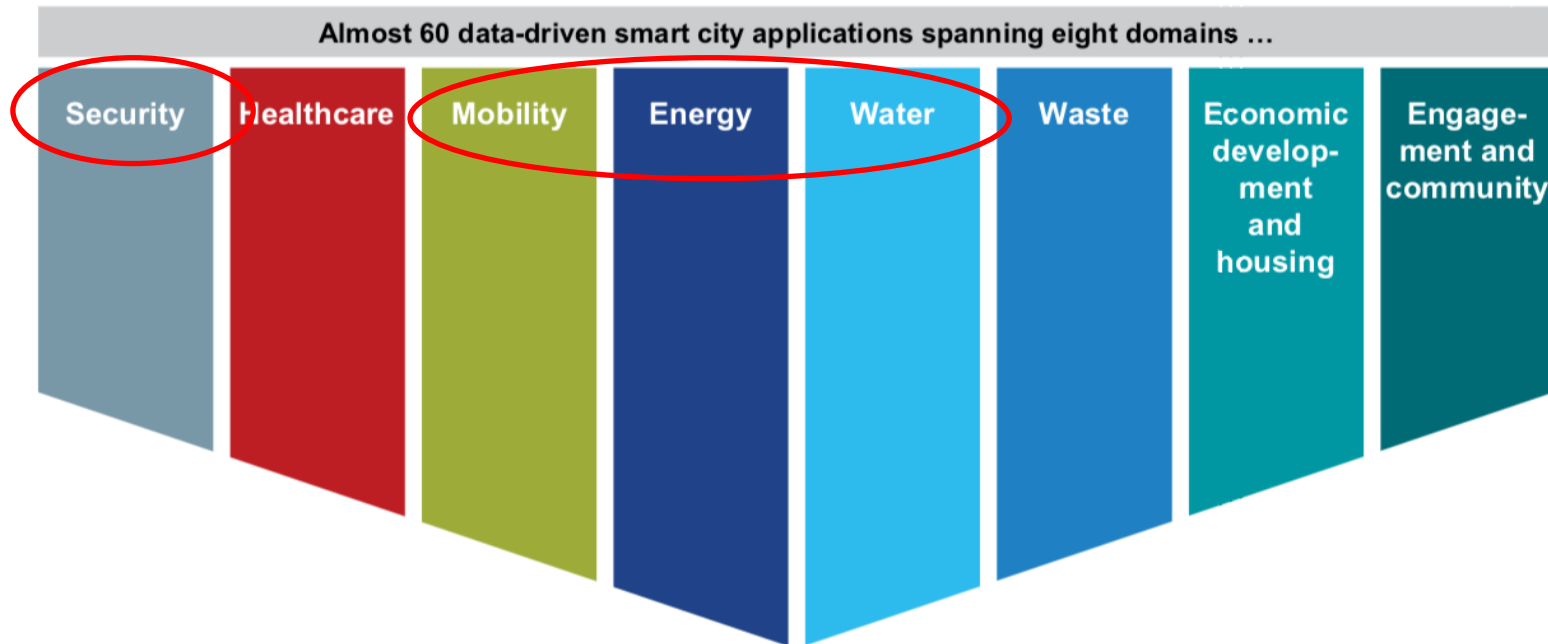
China Is Becoming the World's Laboratory for Smart Cities

- 500 of the world's 1,000 smart city pilot projects are in China.
- PATH: PingAn, Alibaba, Tencent and Huawei are leading smart city initiatives.
 - PingAn has tech capabilities.
 - Alibaba has online and mobile payment platforms.
 - Tencent has communication connections.
 - Huawei has smartphones and other hardware.

8 Types of Apps Attract Attention

Exhibit 3

Smart city applications have significant potential to improve the quality of life in urban settings.



Graphic by McKinsey & Co

Alibaba's City Brain

- Launched in 2016, City Brain makes **live traffic predictions**, **optimizes traffic flow**, and **detects traffic incidents**.
- Uses data from video footage, traffic bureaus, and public transportation systems and mapping apps.
- Hangzhou dropped from 5th to 57th for China's most congested cities.
- Hangzhou City Brain 2.0. Covers 42 square kilometers, with traffic violations reported with 95% accuracy.
- +110 autonomous alert capabilities and 1,300 traffic lights controlled by AI.
- +200 police available through the platform to attend to traffic emergencies.

Alibaba's City Brain (cont)

- Rescue and firefighting teams identify and monitor fire emergencies.
- Can automate emergency dispatching and help emergency vehicles find the quickest routes.
- Provides information to firefighters, such as water pressure, the number and position of fire hydrants in a given area, the location of gas pipes and other details.
- Over time, City Brain can learn traffic patterns and make recommendations to improve traffic efficiency, like the best ways to plan new roads, or change bus routes.
- City Brain launched in Hangzhou, Suzhou, Guangzhou, Macau and Malaysia

Everything Comes Back to +1B

Digital-First Urbanites

- Asian cities are the strongest performers in awareness, **usage**, and satisfaction for urban apps.
- **Apps can disseminate information to the public.**
 - Make city governments more responsive.
 - City agencies maintain an active presence on social networks.
 - Have developed their own interactive citizen apps. Help residents request assistance with mundane issues such as potholes, graffiti, broken streetlights, and dangerous intersections.
- **Apps can gather information**
 - Vehicles for residents to report concerns, collect data, or weigh in on planning issues.

Get Ready for Smart Chinese Cities to Pull Away

- Testing phase is moving fast for smart cities in China. Over half the world's projects.
- China is already really good at building and rebuilding. China iterates based on what works.
- China has greater urban density. With more people moving in.
- Everyone is on a mobile phone. Many smart city applications succeed only if they are widely adopted—and if they manage to change behaviors. The app need ongoing participation and cooperation.
- Ferocious entrepreneurial environment.
- Big data already happening.
- Cost of cloud storage and processing are falling.

Examples of Smart Urban Apps

- Mobility
 - Real-time public transit information
 - Digital public transit payment
 - Autonomous vehicles
 - Predictive maintenance of transportation infrastructure
 - Intelligent traffic signals
 - Congestion pricing
 - Demand-based micro-transit
 - E-hailing, car-sharing, bike-sharing
 - Integrated multimodal information
 - Real-time road navigation

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2. EV
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4. New Manufacturing
5. Smart Cities

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Case: Eddie Mok's Digital Village

Questions: Eddie Mok Digital Village

- **Phase 1: How to work around gaps in digital infrastructure?**
 - Connectivity
 - Electricity
 - Payment
 - Logistics
- **Phase 2: What can be built upon completed infrastructure?**
 - Entrepreneurship?
 - Merchants and brands
 - Local services
 - Software and other education?

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9. New Manufacturing
10. Smart Cities

What Is Slowing or Limiting this in East Africa?

1. Smartphone availability and adoption
2. Connectivity and affordable data plans
3. Payment ability
4. Consumer behavior
5. Merchant digitization and tools
6. Logistics / delivery ability. Rural areas?
7. Regulations and government
8. Other