Promoting African Internet Economy

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Introduction

• 1/3rd of Africans have access to the Internet
• Contribution of Internet to the GDP: 1.1%
• Internet has greater impact on economic growth for developing countries
  • 10% increase of Internet penetration 0.4% to 0.6% of GDP growth
  • Use the Internet to financial services, education, health, retail, agriculture and government shows that those sectors can make a saving from 10% to 75%

Source: McKinsey Global Institute
Successes

- Close to 80% of worldwide Mobile Money users are in Africa
- Innovation hubs are being built all over Africa with varying successes
- Some successful applications
  - Jumia, online supermarket in Nigeria, Kenya, etc.
  - Benben: blockchain based land management system in Ghana
  - Twiga Foods and Icow in Kenya, FarmFresh in Gambia
Challenges

• Ecommerce businesses for Middle/East and Africa is just 1%
• But Middle/Easters and Africans are about 7% of the world online consumers
• 2 in 5 businesses don’t use Email
• 1 in 3 businesses don’t have website
Challenges

• Development of Internet in the continent is very uneven
• Contribution to the Economy low
  • Africa: 1.1%
  • Emerging economies: 1.9%
  • Developed countries: 3.6%
• Ecommerce for Middle/East and Africa: 1%
• Online consumers Middle/Eastern and Africans: 7%
• 2 in 5 businesses don’t use Email
• 1 in 3 businesses don’t have websites
Roadblocks

- General ease of doing business, online or offline
- Conditions for online business offerings, regardless of sector, including developing Internet platforms
- Issues that impact ability to start new businesses
- General ease of doing business, online or offline
Conclusion

- Nascent African Internet Economy
- Many opportunities but also many challenges
- Some countries will emerge
- Some will lose the opportunity
Thank you.

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