ICT Opportunities for Africa
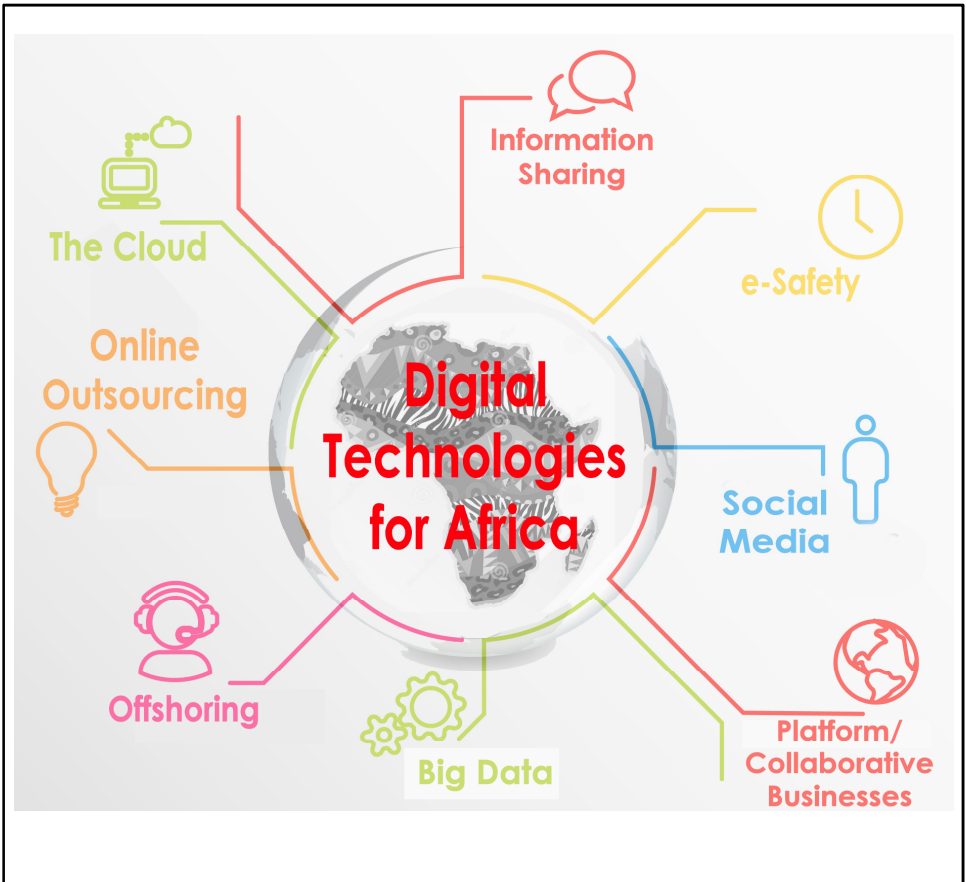
John Stuart, tralac Associate

Highlights

- 1 in 3 Africans have access to internet (2017) predominantly via mobile, expected to rise to almost 1 in 2 by 2020

- Nigeria the world's 10th largest mobile market. Innovations such as PayStack mobile payments and e-health app LifeBank

- Rwanda has rolled out fibre optic connectivity to the whole country and established a national data centre. Rwanda has also pioneered drone technology uptake in Africa

- Kenya has pioneered mobile payments with M-Pesa, bringing in the previously unbanked. Currently has 19m users

- Nigeria and SA account for 60% of network investment in SSA

- Mobile payments are the main use case driving growth

Access in Africa

- Rapid rollout of mobile followed liberalization of the industry across Africa

- In 2016, African bandwidth grew faster than anywhere else in the world, primarily driven by increased under-sea cable roll-out. Landlocked countries still at a disadvantage

- 'Last mile' rollout still too expensive in Africa relative to realisable revenues, meaning wireless and 3G the main mechanisms for access

- Mobile broadband (2.5G and 3G) and declining smart phone prices have lead to a rapid increase in Internet use

- Computer based Internet access – is a privilege of the few in Africa (formal jobs or internet café)

Digital Technologies for Africa: The Cloud, Information Sharing, e-Safety, Social Media, Platform/Collaborative Businesses, Big Data, Offshoring, Online Outsourcing

Africa Population vs Coverage vs Internet Use

Africa Total Population 1.2 Billion
960 Million people covered by 2G Signal in Africa
310 Million Internet Users in Africa

KEY

Africa Total Population 1.2 Billion
960 Million people covered by 2G Signal in Africa
310 Million Internet Users in Africa

An additional 250m users forecast by 2020 – 80% increase!

ICT Sector Growth and Investment

- In 2016, African tech startups raised a record-breaking total of $366.8m in investment (30% increase)

- The number of tech hubs in Africa has risen to 310, with 173 accelerators and incubators recorded in 2016, according to the World Bank. There were 117 in the previous year

- Biggest constraint to further investment is lack of 'exits' - ie secondary market for funded startups. Possibly due to African tech startups focussing on 'local' and not 'global' issues