



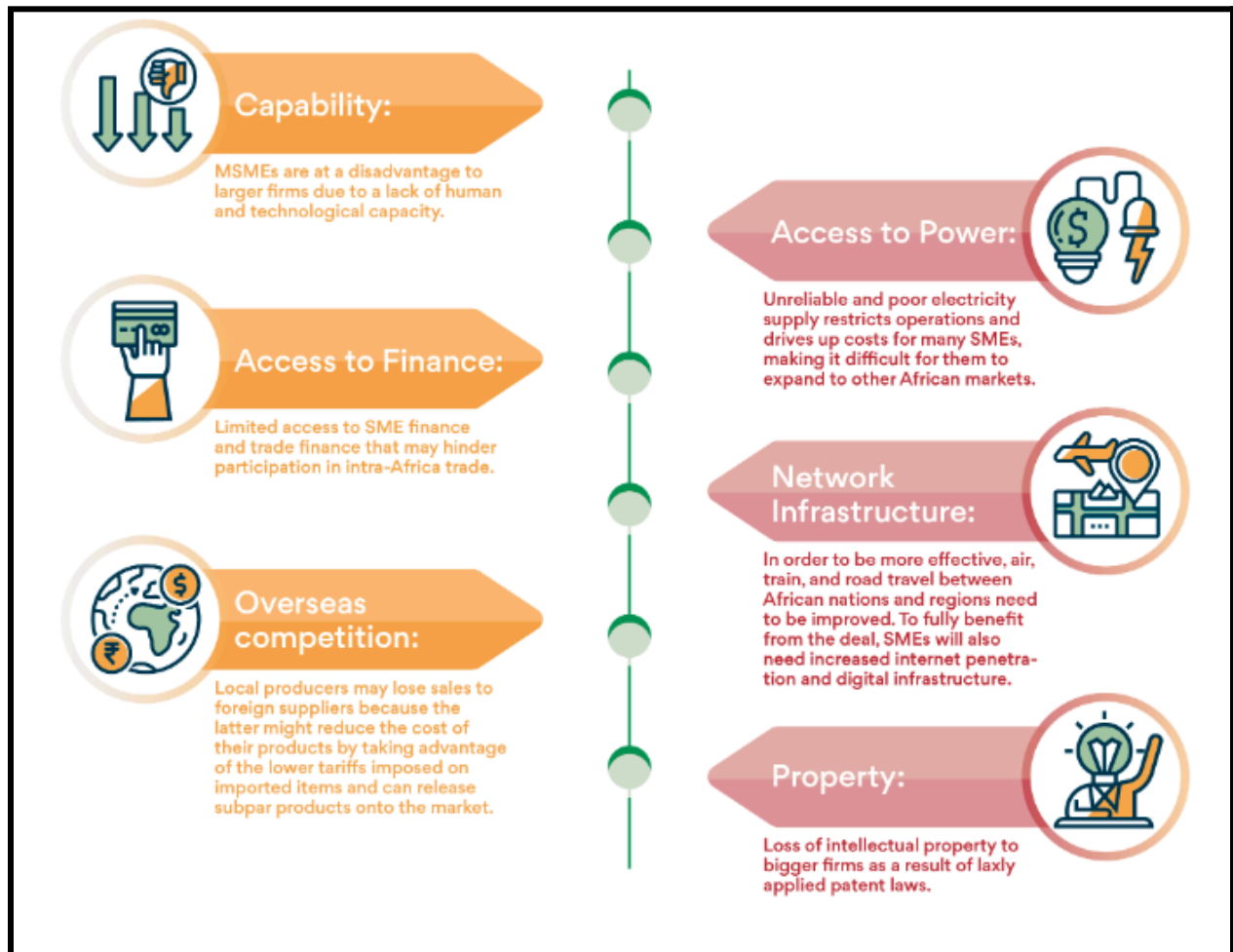
African Digital Market Insights

Introduction

This is a compilation of insights into the African digital market and the opportunities that it presents. As an SME today in Africa, you have the opportunity to take advantage of this abundant & growing market of goods and services. Trade barriers are falling down, data costs are falling, Wifi connectivity and availability is increasing with the emergence of satellite WiFi services such as StarLink. This means the cost of digital transformation has become even cheaper. You will pay more for not transforming your business into a modern tech enabled enterprise that harnesses new technologies to streamline and scale its operations. BlackBaobab is the perfect partner on this journey, enlightening your path with clarity as you embark into full digital transformation.

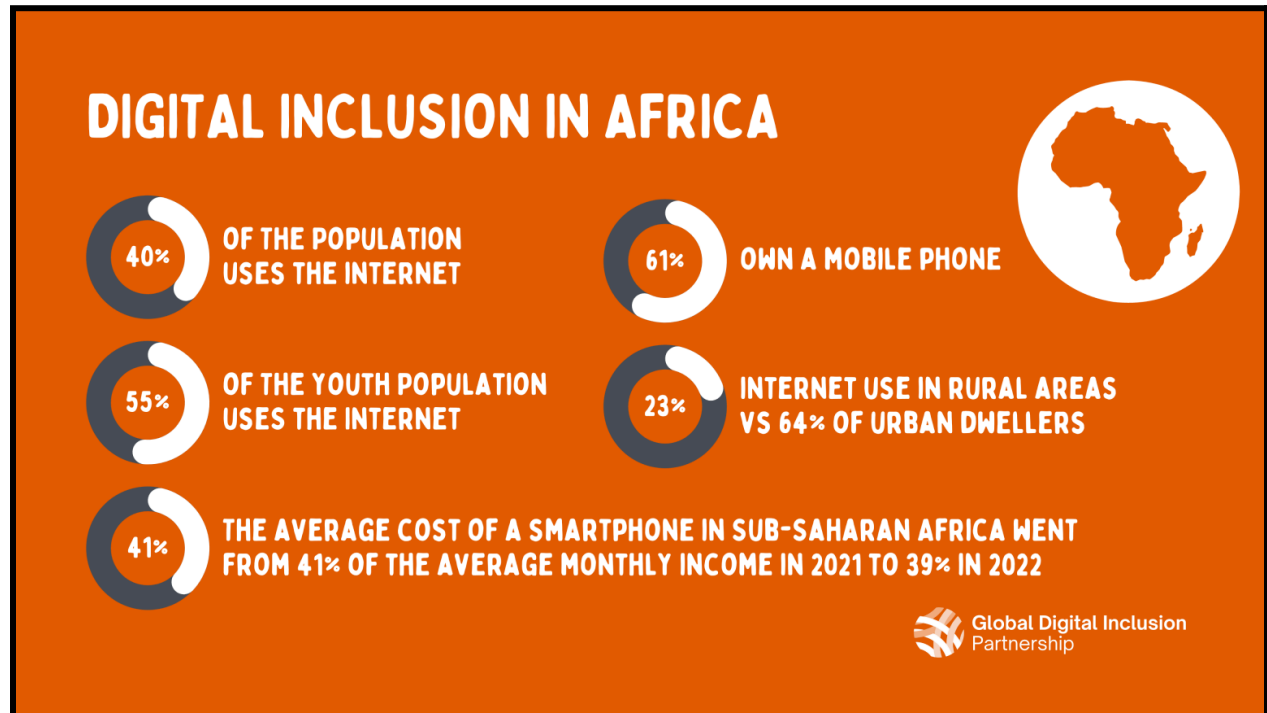
Scope of challenges in digital landscape & initiatives

Challenges faced by SMEs in Africa



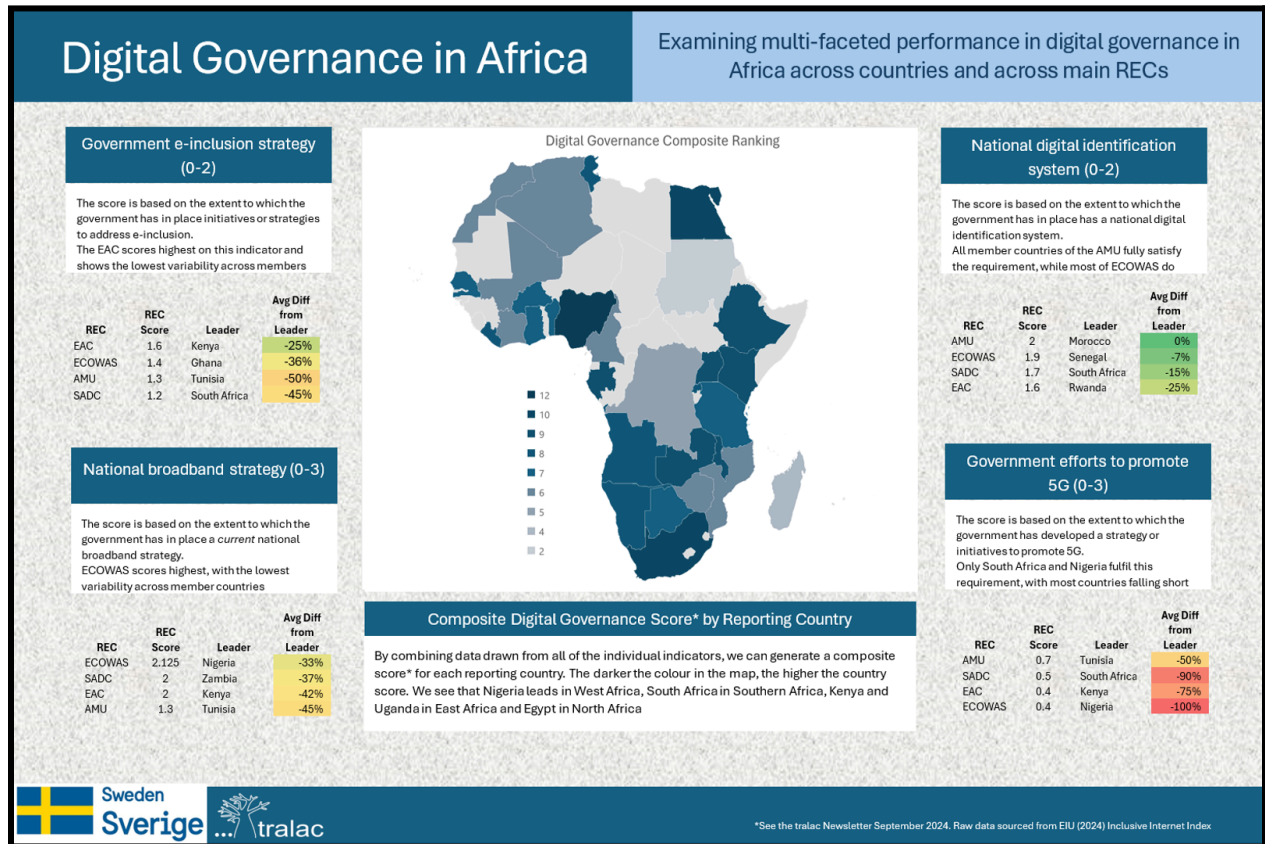
Source: https://www.macmap.org/en/learn/afcta#headingId_AdvantagesOfMSMEs

Digital inclusion in Africa



Source: <https://globaldigitalinclusion.org/2023/05/18/transform-africa-summit-meaningful-connectivity-is-key-to-unlocking-africas-potential/>

Digital governance in Africa



Source: <https://www.tralac.org/resources/infographic/16549-digital-governance-in-africa.html>

Digital Economy initiatives for Africa

DIGITAL ECONOMY INITIATIVES FOR AFRICA

A Look at the most important digital initiatives that are shaping the evolution of the digital economy in Africa

SMART AFRICA



Transforming Africa into a single digital market

Main objectives

Driving Digital Transformation: Aims to accelerate digital transformation across the African continent by fostering ICT adoption and innovation

Promoting Connectivity: To achieve universal and affordable broadband access and to bridge the digital divide. The initiative promotes infrastructure development, including the expansion of fiber-optic networks and satellite connectivity, to ensure that rural and underserved areas are not left behind in the digital revolution.

Boosting Innovation and Entrepreneurship: Encourages the growth of a vibrant digital economy by supporting startups, fostering technological innovation, and creating an ecosystem conducive to entrepreneurship

Continental Legal Framework

To establish common regulatory standards and policies for digital trade, including data protection, cybersecurity, and electronic transactions, to reduce regulatory fragmentation and create a cohesive digital market

Facilitating Cross-Border Digital Trade: Aims to create a seamless digital environment that enables the secure and efficient exchange of goods and services across African borders, fostering regional integration and boosting intra-African trade

Promoting Digital Inclusion: To bridge the digital divide by expanding access to affordable and reliable digital infrastructure, ensuring that individuals and businesses in all African countries can participate in the digital economy

AFCFTA DTP



A comprehensive plan to integrate digital trade into Africa's regional economy

Main objectives

Expanding Digital Infrastructure: Aims to enhance the accessibility and affordability of digital infrastructure across the continent, to improve connectivity and close the digital divide, particularly in underserved and rural areas.

Driving Inclusive Economic Growth: Seeks to leverage digital technologies to boost economic development, create jobs, and support the growth of Africa's digital economy, with a focus on inclusive participation for all, including marginalised groups

Enhancing Digital Skills and Innovation: To build digital literacy and skills across all age groups, promote innovation ecosystems, and empower Africa's youth and entrepreneurs to drive technological advancements

AU DTS



Aims to foster an integrated digital economy and society across Africa from 2020 to 2030

Main objectives

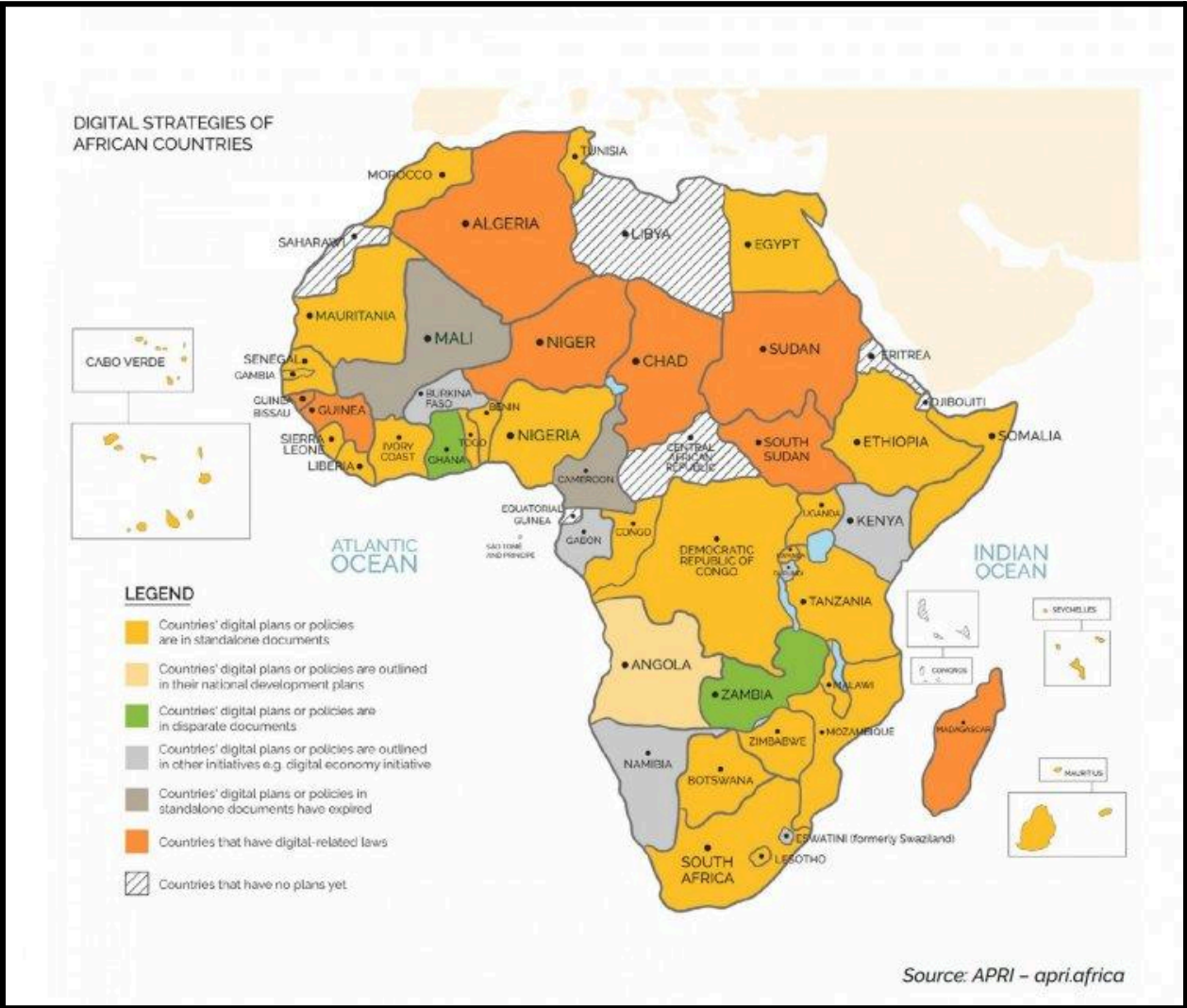
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Source: <https://www.tralac.org/resources/infographic/16605-digital-economy-initiatives-for-africa.html>

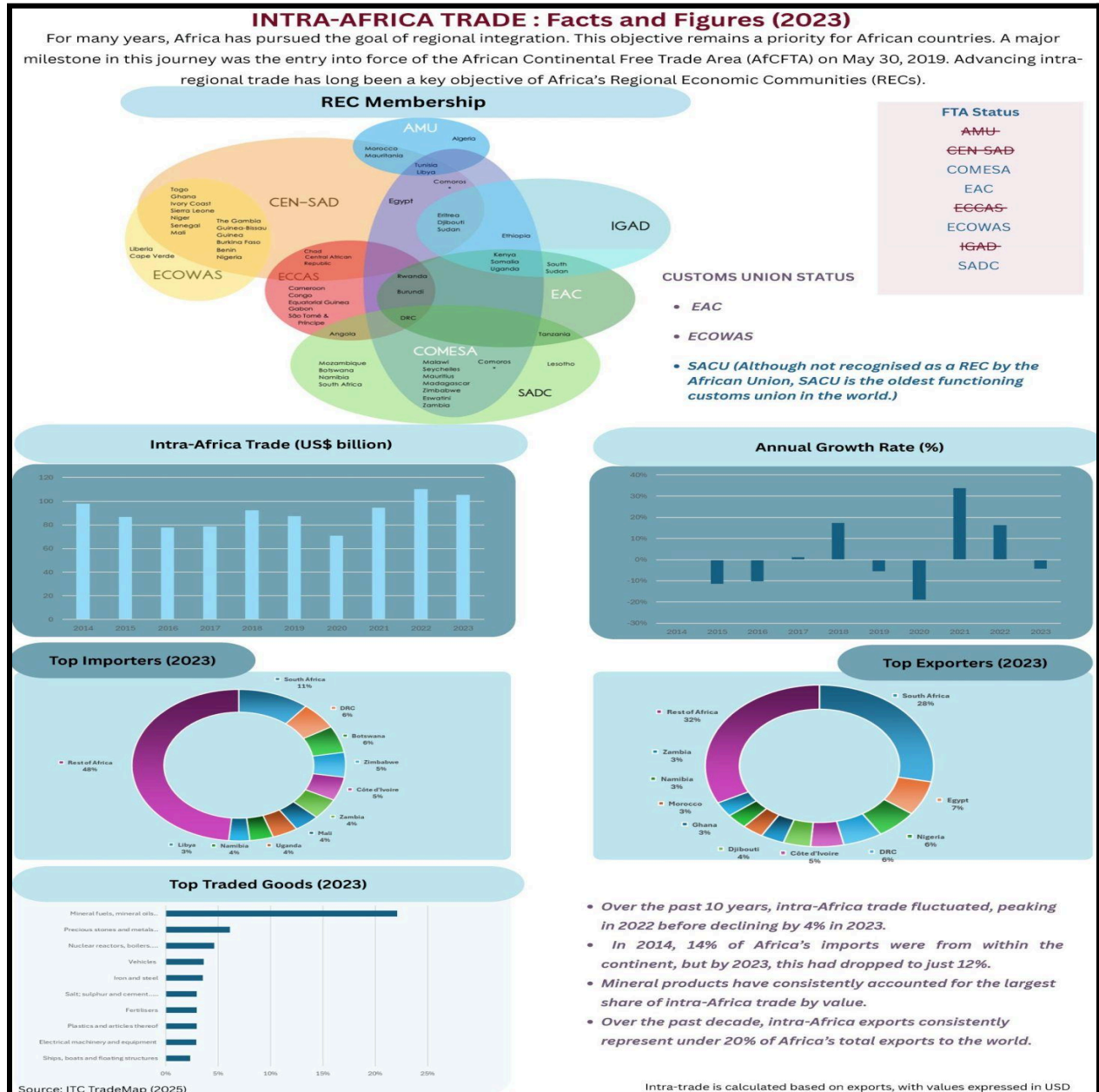
Digital strategies of African Countries



Source: <https://www.ericosiakwan.com/2022/01/10/africas-digital-economy-welcomes-web3/>

The opportunity

Intra-Africa trade facts & figures:



Intra-Africa Trade (US\$ billion)

Year	Trade (US\$ billion)
2014	95
2015	85
2016	75
2017	75
2018	90
2019	85
2020	70
2021	90
2022	110
2023	105

Annual Growth Rate (%)

Year	Growth Rate (%)
2014	0
2015	-10
2016	-10
2017	0
2018	15
2019	-5
2020	-15
2021	35
2022	15
2023	-4

Top Importers (2023)

Country	Share (%)
Rest of Africa	48%
South Africa	11%
DRC	6%
Botswana	6%
Zimbabwe	3%
Côte d'Ivoire	6%
Zambia	4%
Libya	3%
Namibia	4%
Uganda	4%
Mali	4%

Top Exporters (2023)

Country	Share (%)
Rest of Africa	32%
South Africa	28%
Zambia	3%
Namibia	3%
Morocco	3%
Ghana	3%
Djibouti	4%
Côte d'Ivoire	5%
DRC	6%
Nigeria	6%
Egypt	7%

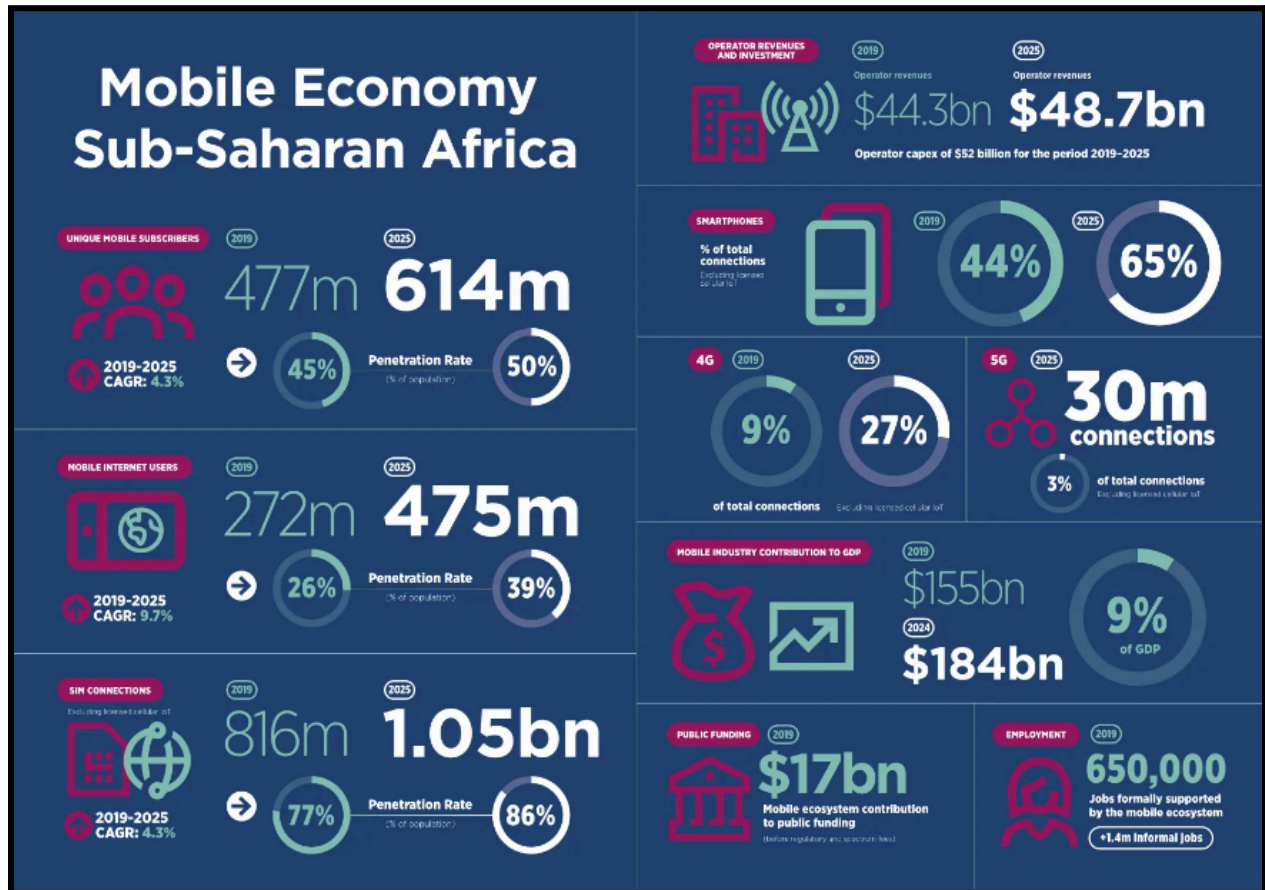
Top Traded Goods (2023)

Goods	Share (%)
Mineral fuels, mineral oils...	22%
Precious stones and metals...	10%
Nuclear reactors, boilers...	8%
Vehicles	7%
Iron and steel	6%
Salt, sulphur and cement...	5%
Fertilisers	4%
Plastics and articles thereof	4%
Electrical machinery and equipment	4%
Ships, boats and floating structures	3%

- Over the past 10 years, intra-Africa trade fluctuated, peaking in 2022 before declining by 4% in 2023.
- In 2014, 14% of Africa's imports were from within the continent, but by 2023, this had dropped to just 12%.
- Mineral products have consistently accounted for the largest share of intra-Africa trade by value.
- Over the past decade, intra-Africa exports consistently represent under 20% of Africa's total exports to the world.

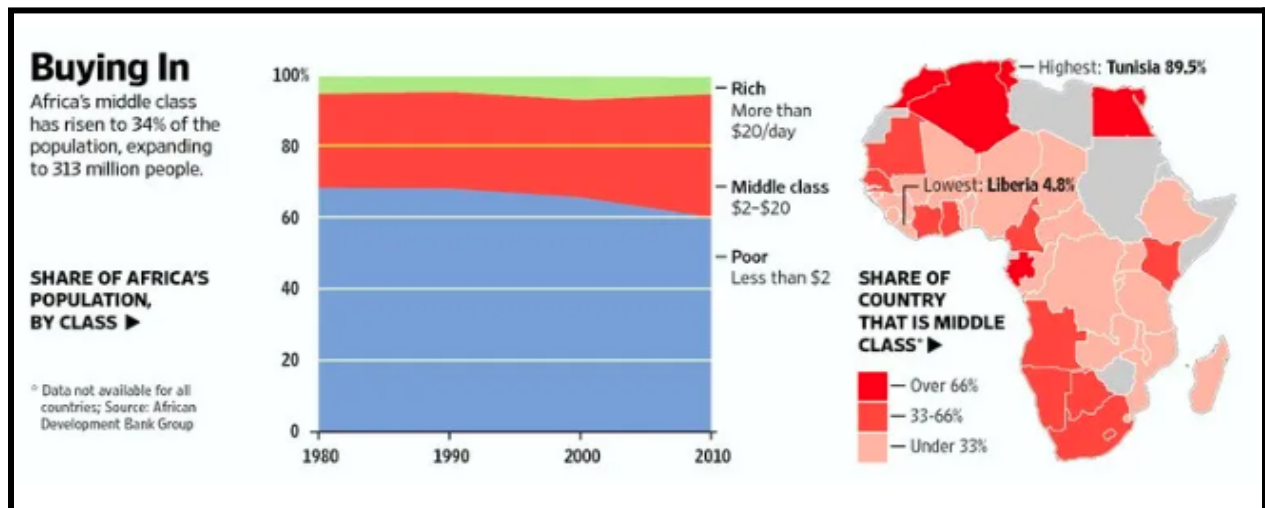
Source: <https://www.tralac.org/resources/infographic/16832-intra-africa-trade-facts-and-figure-2023.html>

Mobile economy in sub-saharan Africa



Source: <https://www.ericosiakwan.com/2022/01/10/africas-digital-economy-welcomes-web3/>

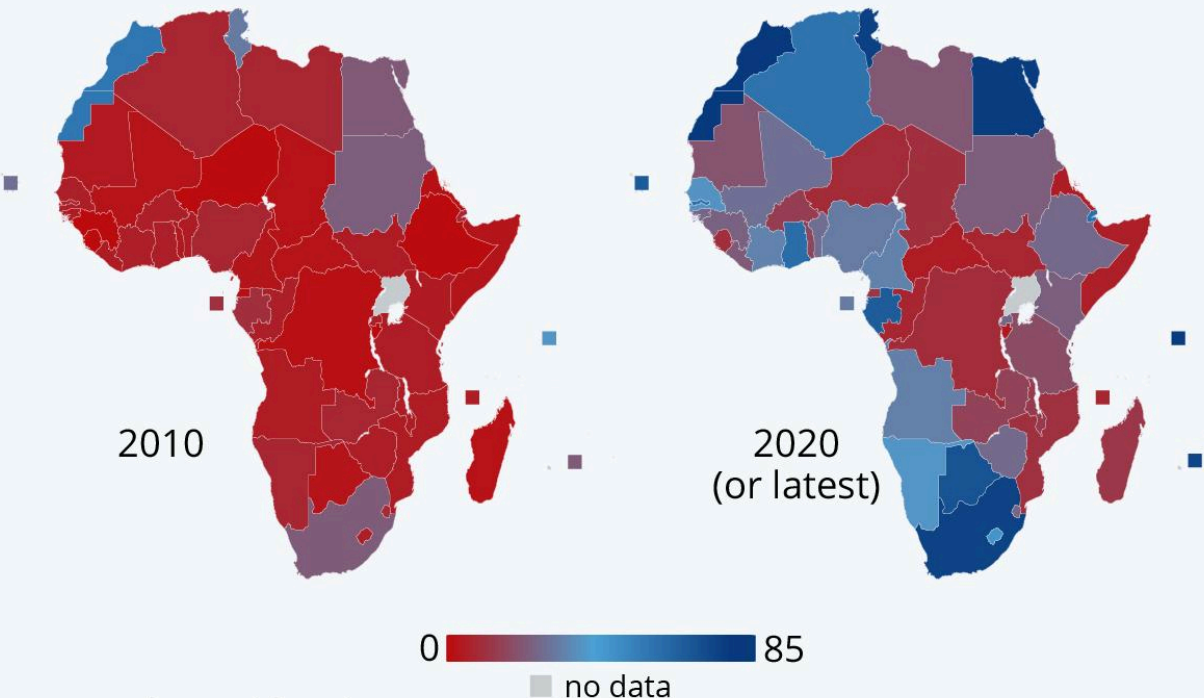
Market size & buying power



Internet penetration trend in Africa

Internet in Africa: Progress and Potential

Share of population using the internet in 2010 and 2020 (or latest)

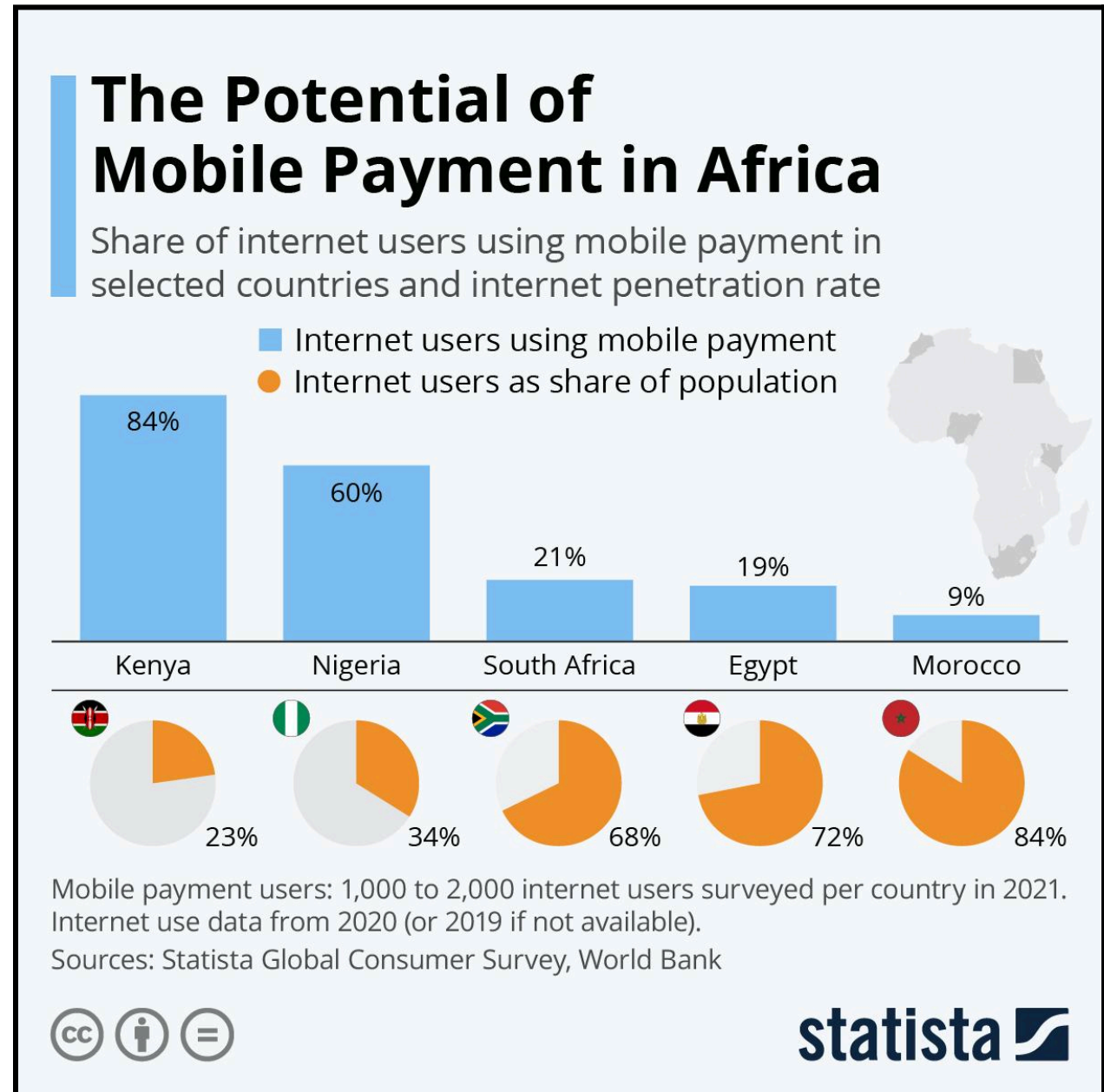


Source: The World Bank



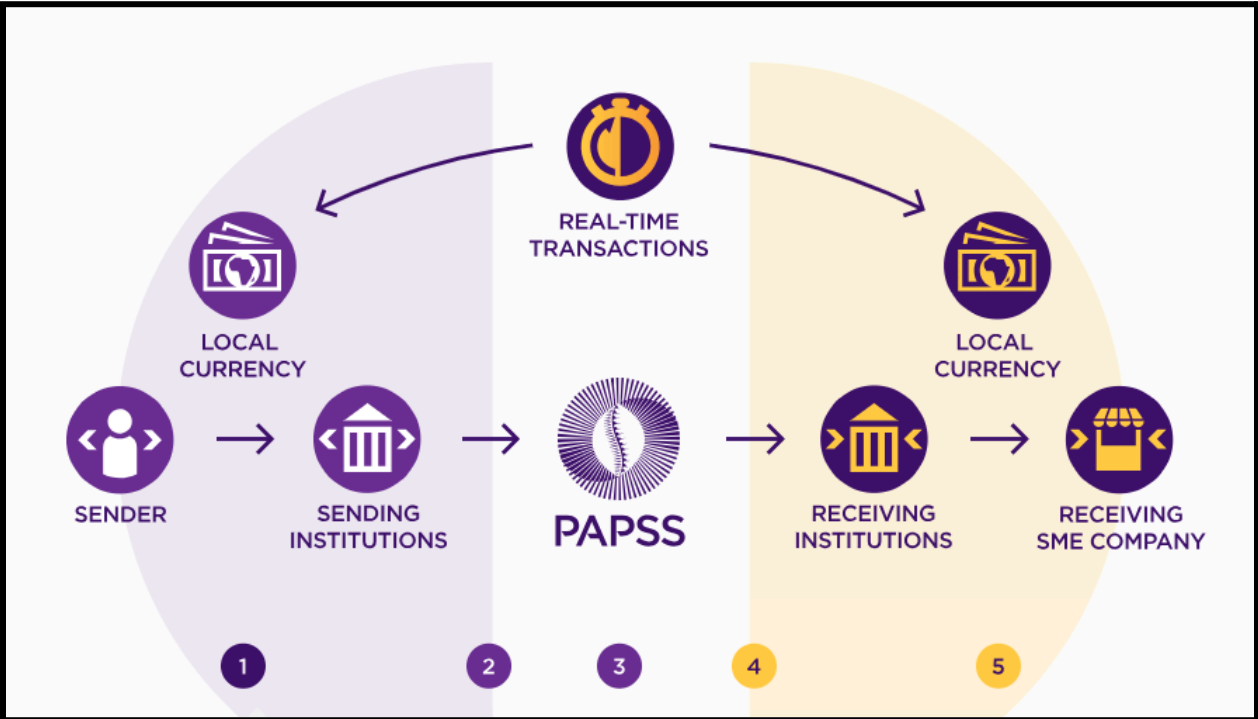
Source: <https://www.statista.com/chart/26781/internet-penetration-africa-progress/>

Potential of mobile payments in Africa:



Source: <https://www.statista.com/chart/27017/mobile-payment-in-africa/>

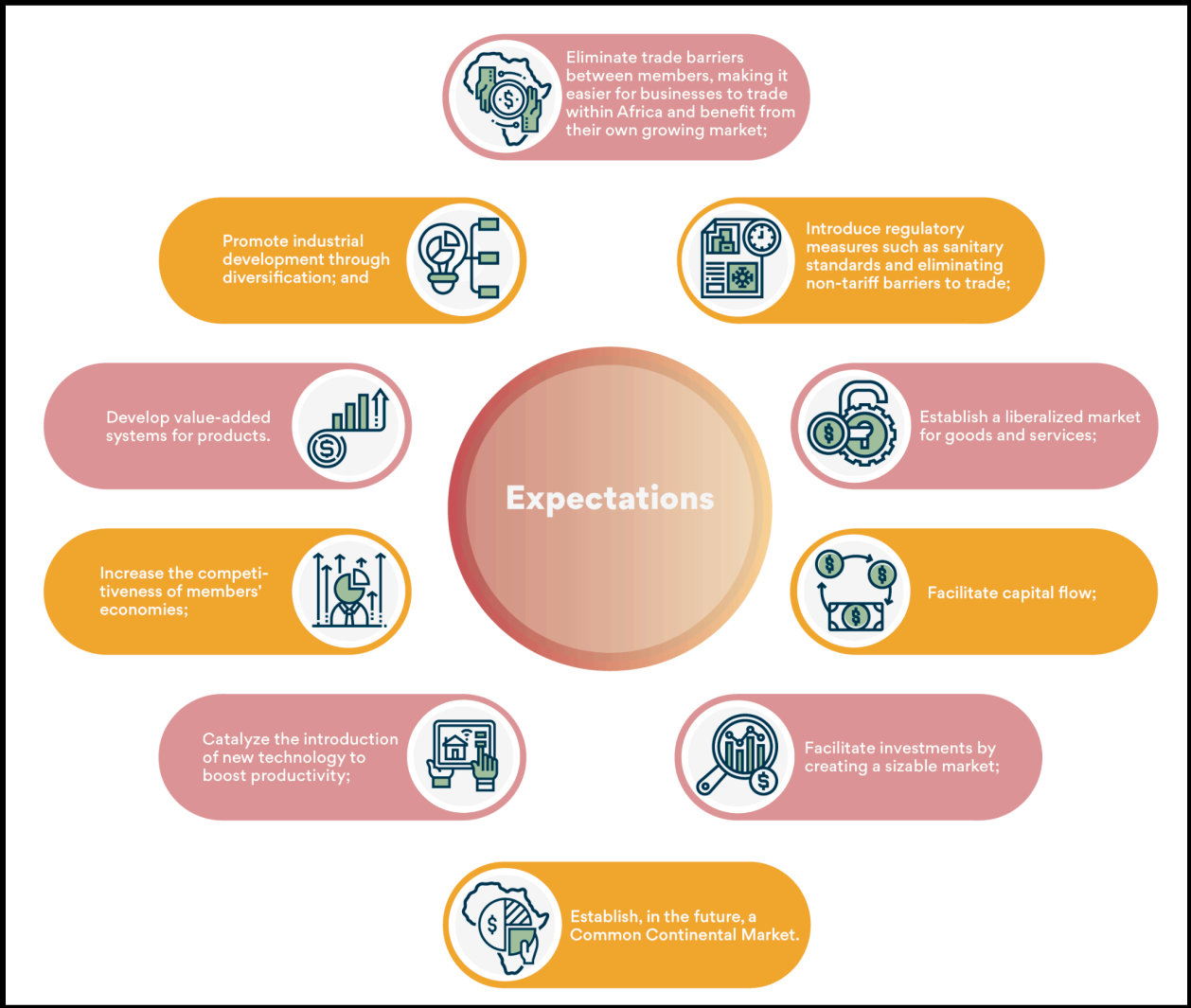
How the pan-african-payment-system works



Source: <https://papss.com/how-it-works/>

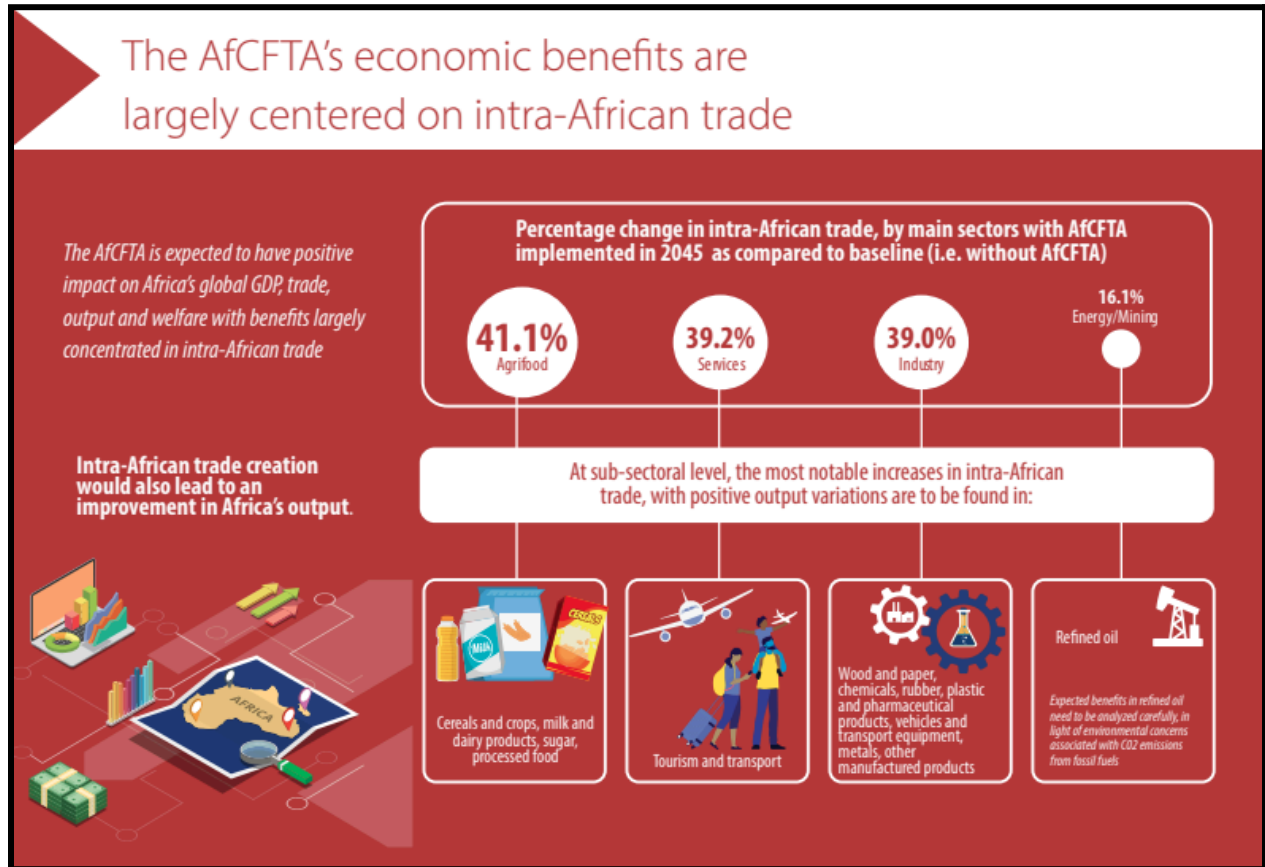
Intra-African Trade Expectations & Benefits

Expectations of increased inter-African trade:



Source: https://www.macmap.org/en/learn/afcfta#headingId_AdvantagesOfMSMEs

Economic benefits of inter-African trade



Source: https://uneca.org/sites/default/files/keymessageanddocuments/en_afcfta-infographics-11.pdf