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Developing the Internet Economy

Africa Regional Internet Development Dialogue



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Promoting the African Internet Economy

Development of an **Internet sector** is critical

- Infrastructure for access to Internet
- Companies creating and hosting content

Ultimate goal should be to develop an **Internet economy**

- Bring traditional companies and sectors online to increase efficiency and revenues
- Also focus on developing e-government and other social services

Internet platforms can help to act as intermediaries

- These can help businesses go online and operate
- Examples include payments, support for entrepreneurs, and employment support

Internet Development Cycles

Infrastructure

- International capacity
- Mobile broadband



Mobile coverage > adoption

Demand-side

- Local content
- Entrepreneurs & innovation



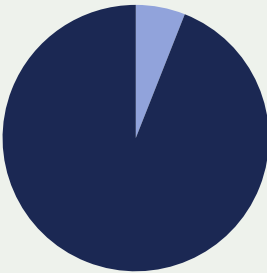
Individual use > business use

Business

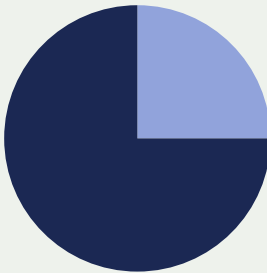
- Adoption and usage
- Internet Economy

Internet Sector vs Internet Economy

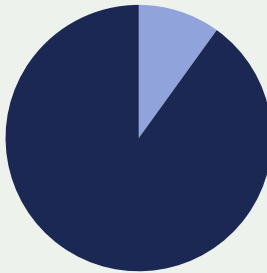
Share of GDP



Share of GDP growth



Share of E-Commerce



■ Internet sector ■ Rest of economy ■ Internet sector ■ Traditional industries

■ B2C ■ B2B

Note: The ICT sector averages 6% of OECD economies. For Kenya it is 3.8%.

Note: For 12 large countries, 75% of economic impact of Internet is in traditional industries

Note: Total global e-commerce is USD 22 trillion per year, of which only 10% is B2C

A number of Internet platforms are emerging

Mobile Money (M-Pesa)	Bank accounts, merchant payments, M-Kopa solar, M-Akiba bonds, ...
Innovation	Innovation hubs, Venture Capital for Africa, Africa Technology Foundation, DEMO Africa, Mara Mentor
Employment	1task1job, Jobberman, HyperionDev, ...
ICT platforms	Kooba (data centre), Angani (CDN), MTNPlay and AfricApp (app stores), Mi-Fone (mobile devices), AdsBrook (ad platform)
Online platforms (e-commerce)	500Shops (websites), Africa Courier Express, Surebids (vouchers),...

The Internet economy is beginning to grow

Business-to-consumer	OMG Digital (media), SafeMotos (motorcycle taxis), Iroko Partners (video), Jumia (e-commerce), ZayRide (taxis)
Business-to-business	Twiga Foods (vendor supply), Dropifi (customer engagement), Kudobuzz (content marketing), BenBen (property management), Esaja.com (business directory), TorQue (cloud-based inventory)
E-Agriculture	Esoko (market information), Farmer's Friend (agricultural advice), iCow (cow rearing), Tech4farmers (agribus tech), Farm Fresh (sales)
E-government	Irembo online platform (Rwanda), Hduma Kenya
Social services	Asoriba (church management), ClaimSync (health claims), Tap&Go (bus payments), Jamii (micro-health insurance), Rekindle (learning), ConnectMed (online consultations)

Progress towards an Internet Economy

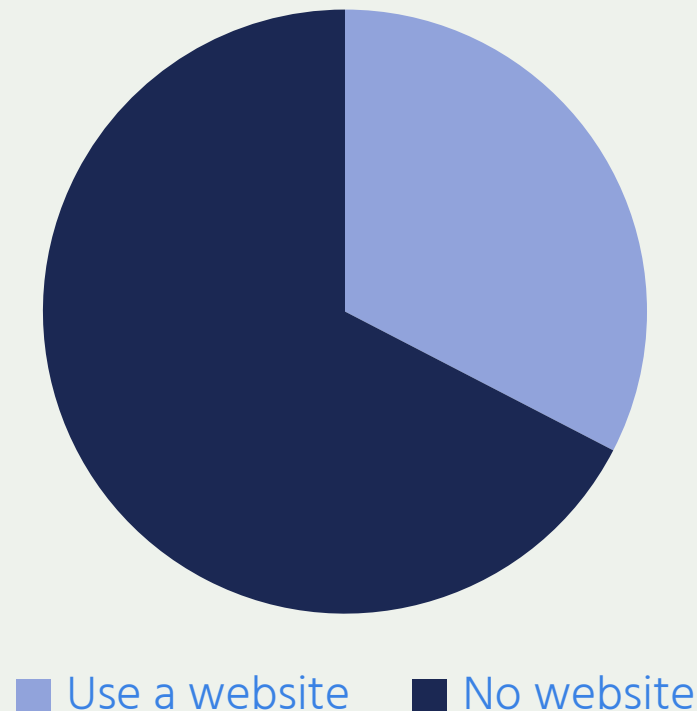
Concentration in a few countries

- Not all countries have fully developed Internet Sectors
- Nor the Internet platforms to build an Internet Economy

Progress still needs to be made

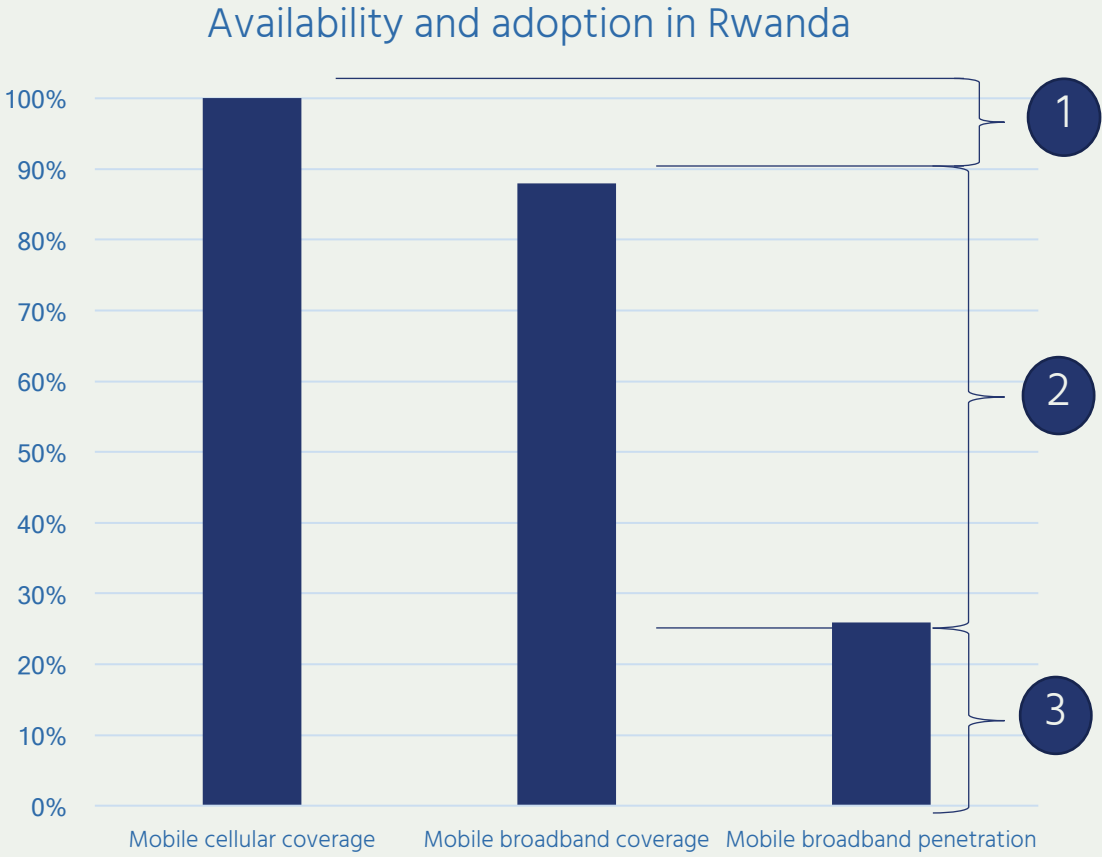
- More growth in the building blocks
- More companies online and engaged (see right)

Companies in Sub-Saharan Africa



Source: World Bank, Enterprise Surveys, focusing on registered manufacturing and services firms with at least 5 employees, covering a number of years

Roadblocks – gaps in the Internet Sector



Increase coverage of broadband infrastructure

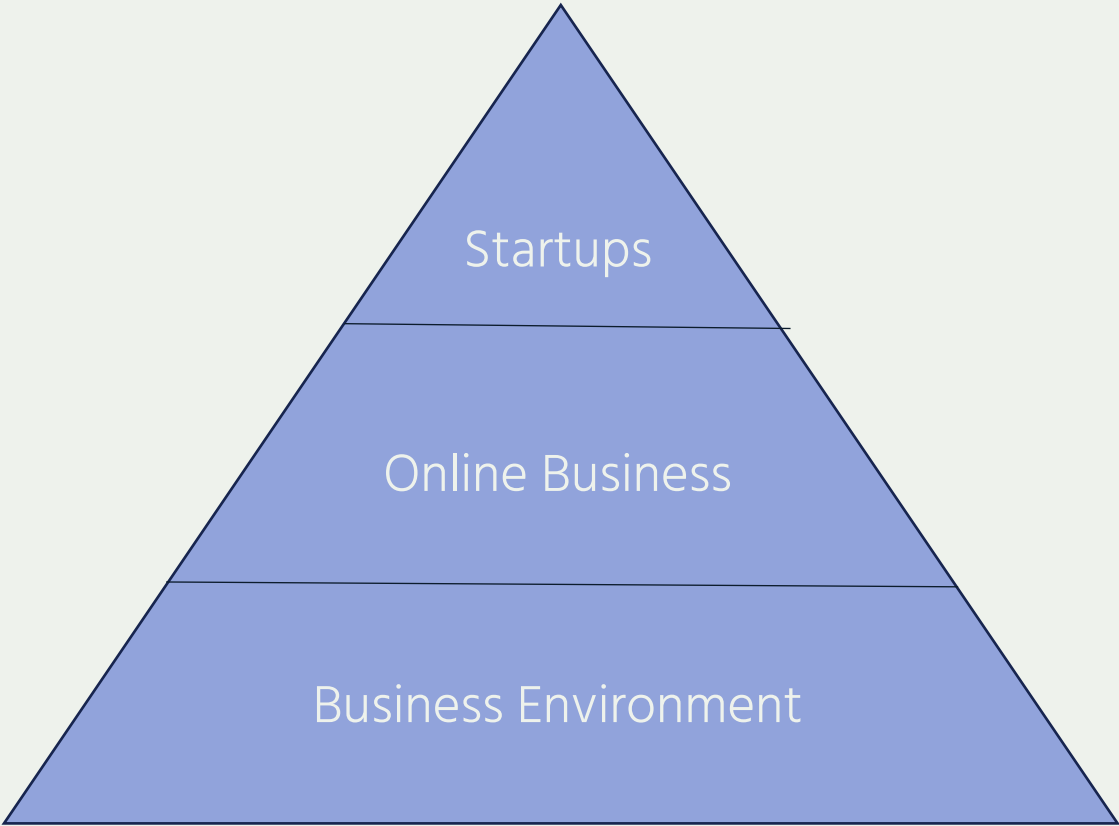
Address demand-side gaps

- Affordability
- Content and services

Improve user experience

- Increased bandwidth

Roadblocks – gaps in Internet Economy

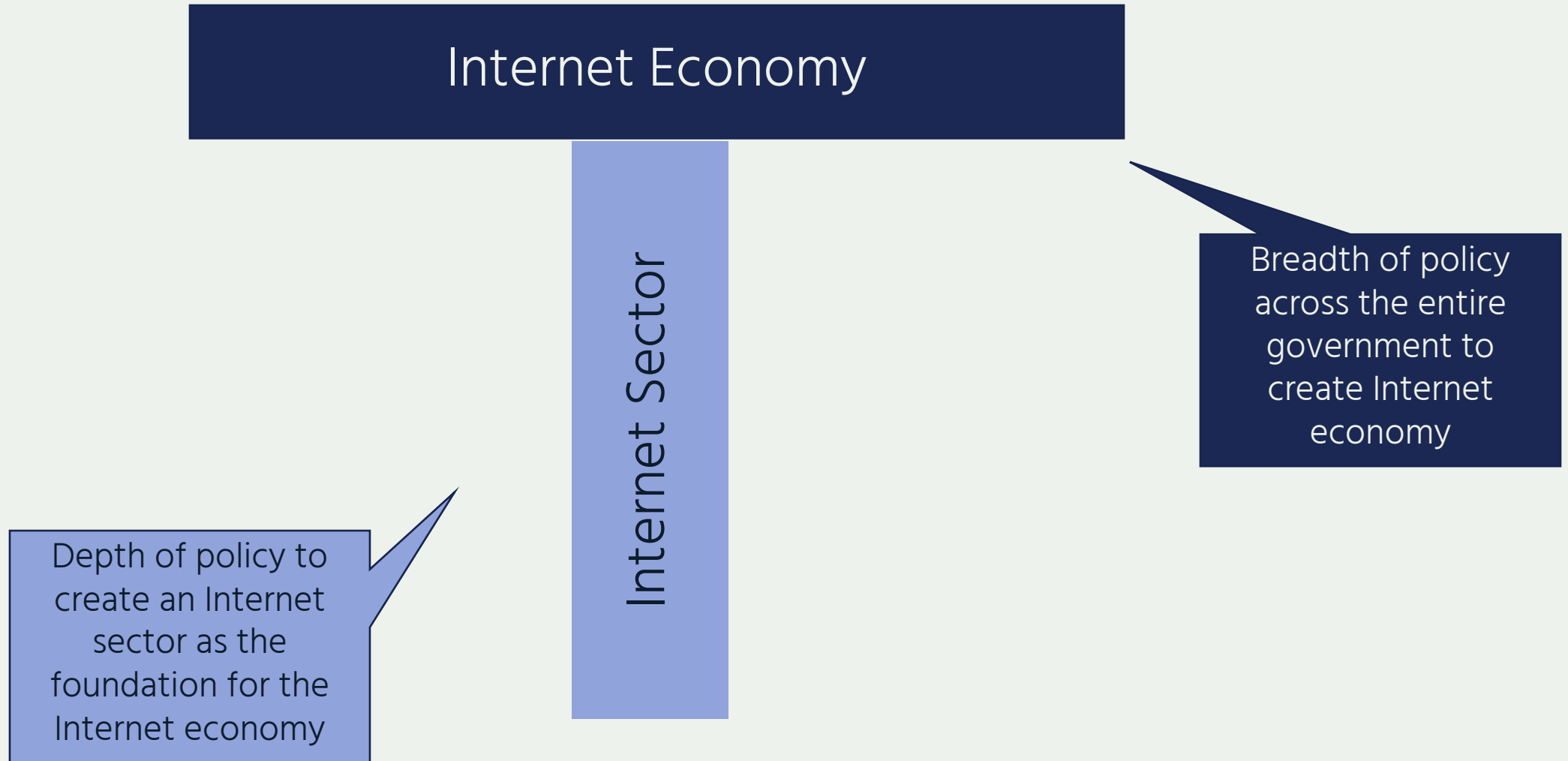


Issues that impact ability to start new businesses

Conditions for online business offerings, regardless of sector, including developing Internet platforms

General ease of doing business, online or offline

T-shaped policy proposal



Conclusion and questions

Internet Sector

Is important in its own right, and also to create a platform for developing an Internet economy

What are the key pieces to develop a strong Internet sector?

What policies are important to create the Internet sector?

Internet Economy

It is critical to bring all parts of the economy, government, and social services online

What are the key pieces to do this?

What policies are important to create an Internet economy?

Thank you.

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Breakout Session 1 – Current State Assessment

Topic	Questions
1. Business adoption and usage of Internet	<ul style="list-style-type: none">• How do the requirements for businesses to go online differ from bringing individuals online?• What is the value proposition for businesses to go online, and what are the roadblocks?• Is B2B e-business picking up in countries in Africa that you know? Why, or why not?
2. Innovation and entrepreneurship	<ul style="list-style-type: none">• What are the most attractive opportunities for entrepreneurs today in Africa?• What are challenges for entrepreneurs today, particularly who target the B2B sector?• Are many Africans seeing the opportunities of entrepreneurship online?
3. Internet policy	<ul style="list-style-type: none">• What policies have been most effective in developing an Internet economy?• What roadblocks remain?

Breakout Session 2 – Future Internet Economy

Topic	Questions
1. Development of the Internet Sector	<ul style="list-style-type: none">• How do you see the Internet sector developing in Africa– both for access and content?• What are the key policies needed to help achieve this vision?
2. Innovation and Entrepreneurship	<ul style="list-style-type: none">• How do you see entrepreneurship developing in Africa?• What are the key policies needed to help achieve this vision?
3. Development of the Internet Economy	<ul style="list-style-type: none">• How do you see the Internet Economy developing in Africa?• What are the key policies needed to help achieve this vision?• Are we having the beginning of an online business boom or is this just a mirage?