

## New Google-IFC report: Africa's internet economy worth \$180bn by 2025

According to a report called [e-Conomy Africa 2020](#), Africa's internet economy is estimated to be worth \$180bn by 2025, which is 5.2% of the continent's gross domestic product (GDP). The report was released by Google and the International Finance Corporation (IFC).



Nitin Gajria, Google Africa's director | image supplied

Driving this growth is a combination of increased access to faster and better quality internet connectivity, a rapidly expanding urban population, a growing tech talent pool, a vibrant startup ecosystem, and Africa's commitment to creating the world's largest single market under the African Continental Free Trade Area.

Currently, Africa is home to 700,000 developers and venture capital funding for startups has increased year-on-year for the past five years, with a record \$2.02bn in equity funding raised in 2019, according to Partec Ventures Africa.

Stephanie von Friedeburg, interim managing director and executive vice president and chief operating officer of IFC, says: "The digital economy can and should change the course of Africa's history. This is an opportune moment to tap into the power of the continent's tech startups for much-needed solutions to increase access to education, healthcare, and finance, and ensure a more resilient recovery, making Africa world leader in digital innovation and beyond."

Digital startups in Africa are driving innovation in fast-growing sectors, including fintech, health-tech, media and entertainment, e-commerce, e-mobility, and e-logistics, contributing to Africa's growing internet gross domestic product (IGDP) — defined as the internet's contribution to the GDP.



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"Google and IFC have created this report to highlight the role the digital startup sector is playing and other factors driving the continent's growth in order to showcase and support the opportunities the continent

presents,” says Google Africa director Nitin Gajria.

An analysis within the report, conducted by Accenture, found that in 2020, the continent’s IGDP may contribute approximately \$115bn to Africa’s \$2.554tn GDP - 4.5% of total GDP. This is up from \$99.7bn - 3.9% of total GDP - in 2019, with the potential to grow as the continent’s economies develop.

Investments in infrastructure, consumption of digital services, public and private investment, and new government policies and regulations will play an important role in supporting Africa’s digital growth. The report notes that investment in digital skills will also need to increase in order to help drive technology usage and continue to grow the continent’s talent pool.

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