

Africa poised for substantial growth

 By Louise Marsland

10 Jul 2019

Thea Sokolowski, head of brand and marketing at MEST Africa, talks to Bizcommunity.Africa about how the African tech ecosystem continues to grow on the continent. Last year, over \$1.2 billion was raised for African startups, according to Partech, marking substantial growth at 108% year on year.



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■ ***Tell us about the African tech ecosystem right now? Is it largely responsible for the 'Africa Rising' narrative on the continent?***

The African tech ecosystem continues to grow in leaps and bounds, impacting so many of Africa's key industries (i.e., energy, finance, health, etc.). The levels of funding the industry continues to attract reflects its incredible growth and the fact that the world is beginning to take notice. Last year, over \$1.2 billion was raised for African startups, according to Partech, marking substantial growth at 108% YoY. In terms of countries, Nigeria's definitely one of the main hotspots for investment, and fintech is still leading the way in terms of the most funding. Immediately apparent, however, is the disproportionate amount of funding in Anglophone rather than Francophone-speaking nations. Yet, over half of Africa's fastest-growing countries will be Francophone by 2021 (World Bank). This is one of the reasons MEST established a footprint in Ivory Coast and continue to welcome more Francophone entrepreneurs into our training program. who's also a finalist for our annual pitch challenge (MEST Africa Challenge), is one of many new companies we think could help shrink the gap.

■ ***What are the drivers of the African tech ecosystem in Africa?***

I think investors, especially on an international scale, are recognising more that Africa is the next location for substantial growth. According to the IMF, Sub-Saharan Africa will be home to the world's fastest-growing economies in 2019. There is also an incredible abundance of talent here that's getting more and more interested in technology. There's a rising appetite for African companies solving long-standing global issues. Individual economic conditions in different African markets are also driving rates of tech adoption. Take Nigeria for example, which has a huge labour force but also a significant youth unemployment problem. There is an abundance of talent, and what is needed is a whole new set of startups who are ready to provide roles for this burgeoning group.

■ ***Describe some of the challenges that need to be urgently addressed to fuel growth?***

While there's been a spike in funding, there are still a lot of exciting startups who struggle to access capital. One of the key issues that's been identified is the gap in investment readiness between companies that are at the super early/idea stage and companies that are ready to take on more significant capital. This is one of the areas MEST is looking to make an impact through our incubator. I think a lot of startups also struggle with gaining access to highly-skilled talent, but we're seeing this start to change. More support is definitely needed from governments to ensure that the next generation have all the tools they need to participate in Africa's tech ecosystem, but there are also a number of players in the ecosystem creating programs designed to prepare young people for work in the digital economy.

▣ **What are the solutions that Africa needs?**

A big key to some of the most promising new developments is infrastructure. Often when we hear that word, we think about transportation and physical infrastructure. While this is true, it also applies in a digital sense. The companies that are making significant headway are offering the means by which others can build their businesses, connect with one another, send and process payments, deliver physical items, and more. We're also seeing more and more sectors step into the digital arena by simply bringing processes online. This enables better data collection - an area where the continent is still significantly lagging behind - and enables better visibility into areas where everyday processes and systems can be improved.

ABOUT LOUISE MARSLAND

Louise Burgers (previously Marsland) is Founder/Content Director: SOURCE Content Marketing Agency. Louise is a Writer, Publisher, Editor, Content Strategist, Content/Media Trainer. She has written about consumer trends, brands, branding, media, marketing and the advertising communications industry in SA and across Africa, for over 20 years, notably, as previous Africa Editor: Bizcommunity.com; Editor: Bizcommunity Media/Marketing SA; Editor-in-Chief: AdVantage magazine; Editor: Marketing Mx magazine; Editor: Progressive Retailing magazine; Editor: BusinessBrief magazine; Editor: FMOG Files newsletter. Web: www.sourceagency.co.za.

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