

# Africa's tech explosion promises economic growth

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An illustration photo of a worker connecting fiber-optic cables in a junction box of an apartment building. 14 undersea fibre-optic cables will link Africa's Internet service providers to the servers of Europe and Asia by mid-2012, increasing the capacity of its cable Internet connections almost three-fold from today and nearly 300-fold from 2009.

Ask web entrepreneur Stefan Magdalinski why he moved from London to Cape Town two years ago, and he points to a map that illustrates the technological revolution reshaping Africa.

The map shows the 14 undersea fibre-optic cables that will link the continent's Internet service providers to the servers of Europe and Asia by mid-2012, increasing the capacity of its cable Internet connections almost three-fold from today and nearly 300-fold from 2009.

The cables are drawn in different colours and in thicknesses that represent their capacity -- from the thin gray line showing the 120-gigabit cable that was Africa's only fibre optic link in January 2009, to the broad orange swath showing a 5,120-gigabit cable set to launch in 2012.

With its violet, yellow and orange cables swooping down the continent's west side and its blue, brown and red lines tracing the northern and eastern coasts, the map looks like an expressionist painter's vision of Africa.

"If that doesn't look like an opportunity for transformation, fun and profit to you, I don't know what is," Magdalinski says.

Magdalinski is the CEO of Mocality, a business directory designed for the mobile phone.

His goal is to create the largest online business database in Africa -- from upmarket stores in swank shopping centres to neighbourhood shops housed in corrugated metal shacks -- and bring it to shoppers on their cell phones.



A picture of the pitch of the Mbombela Stadium, seen through internet cables, in Nelspruit. 14 undersea fibre-optic cables will link Africa's Internet service providers to the servers of Europe and Asia by mid-2012, increasing the capacity

of its cable Internet connections almost three-fold from today and nearly 300-fold from 2009.

He is one of many entrepreneurs in Africa tapping the twin trends of growing cell phone ubiquity and exploding Internet bandwidth, developments that promise to transform the way the continent does business and communicates.

The digital divide is still a persistent problem for Africa, where only 9.6 percent of people are Internet users, compared to 65 percent of Europeans.

The cost of Internet and phone services is also higher in Africa than anywhere in the world, despite the region's poverty, according to the UN International Telecommunications Union (ITU).

But as undersea cables increase Internet providers' capacity and decrease their reliance on slow satellite connections, the cost of getting online is falling.

And as technology allows users to access the Internet with ever-cheaper cell phones rather than computers, more and more people will use their mobile phones to get online in Africa, the world's fastest-growing mobile market with 333 million mobile subscribers, up from 88 million five years ago.

These converging booms in Internet and cell phone technologies hold the promise of economic growth, since studies show a link between rising broadband and mobile penetration and economic development.

"Every day, European mobile companies are calling me about the

opportunities in Africa," says Antonie Roux, CEO for Internet global operations at Naspers Group, a South African multi-media company.

"We are seeing things happen in Africa first," says Jon von Tetzchner, co-founder of Opera Software, a Norwegian company that makes a mobile browser.

Von Tetzchner cites mobile banking as an example of Africa's emerging tech savvy.

A programme called M-PESA launched by Kenya's Safaricom network three years ago pioneered mobile cash transfers, and the popularity of the service has soared.

M-PESA essentially turns cell phones into bank accounts by letting users make and receive payments on their mobiles and cash in at small [cell phone](#) shops.

In July the service had almost 12 million customers, up from 52,000 when it launched. Mobile banking services in Rwanda, South Africa and Uganda have seen similar growth.

"I'm very excited about the fact that we are seeing so many people doing banking on their mobile," Von Tetzchner says.

"In other parts of the world this isn't possible. This is actually Africa jumping ahead, and by doing that giving access to banking to a lot of people that do not have it today."

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