

The African economy: Moving from imitation to innovation

Chapter two of the document "fifteen years, fifteen lessons from Africa" relates to the structural changes of Africa's economy and markets.

First major transformation observed by I&P over the course of the last fifteen years: Africa's shift from an imitation-based to an innovation-based economy

Transformation of the African economic landscape

2000-2010: creation and development of companies in traditional sectors. African growth was seen as "catching up" with the industrial and service fabric of so-called advanced countries.

Last decade

- **Important technological innovations have emerged in the wake of information technology revolution**



Widespread use of mobile telephony



Apparition of "mobile money": the first truly African technological revolution



Launch of unique services specifically adapted to the needs of Africans, as the creation of SHS or domestic "pay-as-you-go" solar kits.

- **Social sectors are also attracting investment by the African private sector**



Healthcare



Energy



Water

What consequences in terms of investment?

- Investors must figure out how to support entrepreneurs who **invent their model every day without reference to pre-existing models.**
- Some areas, such as decentralized green energy, are heavily financed by international capital. But these technological sectors are inherently risky and sometimes over-valued...

Key Learnings

- ▶ Africa's rapid evolution towards an innovation economy should not overshadow the basic precautions of capital investment in unstable and vulnerable economies.
- ▶ A "venture" sector should be established to meet the needs of African technology and innovation companies, particularly in the energy and telecommunications sectors

To learn more:

<http://www.ietsp.com/en/fifteen-lessons-africa>