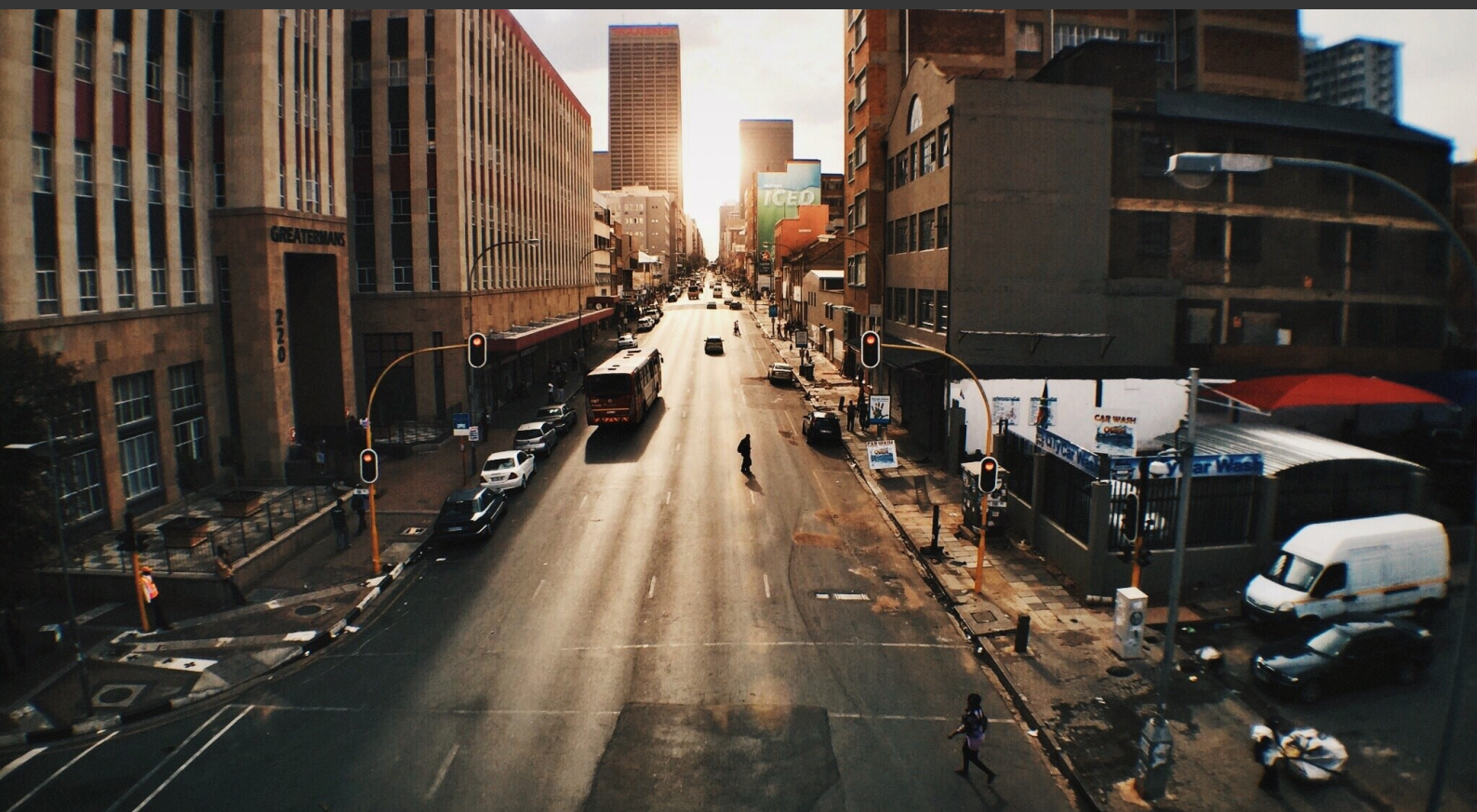




# AFRICA: FERTILE GROUND FOR INNOVATION AND OPPORTUNITY

*Pioneering in Africa to meet the global innovation agenda*



# A SHIFT FROM BRICK AND MORTAR INDUSTRIALISATION TO INNOVATION AND SUSTAINABLE DEVELOPMENT

*“Innovation is changing the business landscape across Africa and any entity that fails to adapt will eventually be phased out “*

Dr Jesper Vasell, KTH Royal Institute of Technology in Stockholm



**ANDREAS GIALLOURAKIS**

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## AT A GLANCE

Africa has demonstrated immense potential in its economic prospects in the past decade. It is currently home to half of the 40 fastest-growing emerging and developing countries and the continent is undergoing rapid technological evolution with vibrant startup communities at the forefront of the Fourth Industrial Revolution. Innovation is imperative to solving the majority of Africa's most pressing needs. For instance, the World Economic Forum projects that 18 million jobs per year until 2035 are needed to absorb youths entering the labour force and startups could contribute to solving this problem.

Africa is closely anticipated as the next big frontier. There are many reasons for optimism: the African continent is home to some of the youngest populations in the world, it promises to be a major consumption market over the next three decades, and it is increasingly mobile phone enabled. An emerging digital ecosystem is a particularly crucial multiplier for that growth, since access to smart phones and other devices enhances consumer information, networking, job-creation, resources, and financial inclusion.

Since 2019, Business Sweden has been exploring innovation and new business models in Africa. This year, we conducted 30+ interviews with various stakeholders from academia, public & private sector as well as entrepreneurs and investors to gather a holistic view of the innovation agenda on the continent. This study has enabled us to establish an in-depth understanding of the innovation landscape in Africa. Our findings drive us to conclude that innovation is not limited to product improvement but also looks at solving problems to address market needs and create sustainable societal, financial, operational, cultural and economic impact.

Our findings further reveal that Africa provides a conducive environment for foreign investment. Around USD 2.4 billion worth of capital was deployed in African startups in 2020. Thirty per cent of the companies that closed the top 10 deals by size across the continent are incorporated outside Africa. In 2019, eight among the top 10 African-based startups that received the highest amount of venture capital in the continent were led by foreigners. In the same year, the market capitalisation for mega investment deals couped by non-African founders in Nigeria and South Africa was at around 45 per cent, while in Kenya, 94 per cent of startups that received more than USD 1 million were led by non-Africans, *The Guardian* reports. Our assessment concludes that the most consistently profitable businesses demonstrate a higher tolerance for risk, are eager to tailor their products, production and distribution to African consumer needs and commit to investing and building their businesses for the long-term.

This report analyses markets and sectors that have the heaviest financial flows in investments channelled towards them to spearhead innovation, identifies key market gaps, and provides a winning formula for foreign investors intending to explore and innovate on the African continent.

*“The four major countries in the Innovation Quadrangle in Africa come with unique advantages. Kenya boasts of a highly skilled and diverse workforce, Egypt is the MENA capital, Nigeria is the most populous country on the continent and South Africa is the center of sophisticated technological inventions.”*

– Eugene Awori – Stanford MBA and Investment  
Professional, Africa50 Fund

The pandemic, though detrimental to humans, has been a catalyst to innovation. Global broadband traffic in 2021 sky-rocketed by 51 per cent over the previous year as Global VC investments registered tremendous improvement. While venture funding worldwide was USD 148 billion in the first half of 2020, Crunchbase reports that it had soared by 95 per cent to USD 288 billion, with increases at every stage, in the first half of 2021.

Startups across the globe, are reaping extensively from new investment vehicles such as Special Purchase Acquisition Companies (SPACS) and crowdfunding. As of August 2021, there were more than 800 startups with valuations of USD 1 billion, a clear demonstration that the word unicorn – a rarity, is morphing into cliché. Sweden and Stockholm – homes to Klarna, Skype and Spotify are continuing to rise-up the global technology and innovation rankings<sup>1</sup>. Although this information presents the innovation ecosystem in positive light, the mere fact that Africa receives less than a three per cent of global VC flows buttresses our narrative that Africa is being overlooked<sup>2</sup>.

Massive quality gaps exist among tech hubs in Africa, and this presents investors with formidable opportunities for expansion and development. Tech hubs are spaces created for the purpose of making resources easily accessible to entrepreneurs. It could either be a stand-alone entity or a collection of startups, incubators, VCs, accelerators, and corporates under one roof. Nigeria and South Africa remain the most advanced ecosystems with more than 80 tech hubs. Kenya establishes itself as the East African giant with almost 50 hubs while Egypt positions itself as the northern star with a total of 56 active hubs.

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<sup>1</sup> The Global Startup Ecosystem Report GSER 2021 by Startup Genome

<sup>2</sup> The Global Startup Ecosystem Report GSER 2021 by Startup Genome

Recent developments demonstrate that *those who analyse markets, understand their users, provide them with well-developed solutions and then proceed to exploit unconventional and untapped opportunities are likely to win big time*. **Wave**, a US headquartered and Senegal-based mobile money service, is a classic example. In September 2021, Wave received the largest ever Series A funding in Africa of USD 200 million bolstering it to a valuation of USD 1.7 billion. Rwanda also presents itself as East Africa's rising phoenix. It is home to **Norrskan Foundation's** next establishment – **Norrskan House** – East Africa's largest hub for entrepreneurship and innovation. Norrskan House Kigali curates a delicate mix of startups, incubators, VCs, accelerators, and corporates under a one-stop shop that will enable entrepreneurs tackle the Africa's most pressing problems.

The first half of 2021 was promising with startups on the continent raising USD 1.19 billion<sup>3</sup>. The Africa Private Equity & Venture Capital Association reports that although funding dipped at the start of 2020, startups raised USD 1.1 billion – an amount more than double the funding raised in 2019. The African Continental Free Trade Area<sup>4</sup> and the wave of startup legislation sweeping across the continent also signal a promising business environment. Albeit these indicators point towards a bright future, scalability remains a pertinent challenge. There are only seven unicorns and less than 20 startups with a valuation above USD 200 million on the continent. The issues above reiterate the business case for the existence of massive untapped potential which investors should take advantage of with agility.

## **INNOVATION IN THE HEALTHCARE SECTOR**

Innovation in healthcare has tremendously evolved over the last few years. This has been fuelled by digital technologies, public partnerships and ensuring the right knowledge, skills and resources get to where they are needed. Egypt, South Africa, Algeria, Tunisia, Kenya, and Rwanda are some of the countries at the forefront of using innovation in the healthcare sector. Innovation trends that will improve healthcare in 2021 and beyond, include artificial intelligence, telemedicine, and mobile health, just to name a few. This is ground-breaking work for the healthcare sector, which is continuously in need of new innovative ideas to improve access to affordable and quality healthcare.

Rwanda is a pioneer in digital health based on their use of artificial intelligence, doctors using telemedicine to consult and blood delivery by use of drones. The Government of Rwanda has partnered with the company **Zipline** for its national drone delivery program to deliver blood between 25 clinics and hospitals. These drones fly up 150 kms roundtrip and carry 1.5 kgs of blood necessary to save a person's life.

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<sup>3</sup> BFA Global

<sup>4</sup> The African Continental Free Trade Area (AfCFTA) brings together 54 out of 55 nations under one free trade agreement, commencing in January 2021, aims to boost productivity and growth and reduce poverty and inequality

## INNOVATION IN THE ENERGY SECTOR

Various energy innovations have been adopted across countries such as Tanzania, Rwanda, Nigeria, and Ivory Coast. Some successful innovations include sustainable off-grid energy solutions that have been adapted to address energy access in Africa.

**Zola Electric** is a Silicon Valley solar startup that pioneered pay-as-you-go finance to deliver off-grid electricity in Africa, responsible for building distributed solutions that provides power to homes and businesses. This off-grid company is located across different regions including Tanzania, Nigeria, Rwanda, Ghana, and Ivory Coast. They have powered just over 1 million homes with more than 300,000 energy systems installed and managed to raise USD 250 million in funding. Zola Electric partnered with a Dutch entrepreneurial development bank, FMO, a Dutch development bank based in the Hague to provide technical assistance to Zola to put a credit scoring system in place. By powering the homes of their customers, Zola Electric provides a platform in which their customers can pay to use their products at a price that anyone can afford, which contributes to creating a credit score for individuals. This credit score bridges the gap between the customers and their ability to obtain finances.

**Drop Access**, a Kenyan based cleantech startup that provides solar energy solutions for water, food, and health, has recently innovated an Efficient Cooling (E-Cool) system that locally manufactures portable solar-powered fridges that can be used in the healthcare cold chain industry and for food storage. In July 2021, they launched a pilot program, solar vacciboxes, that provide cold storage facilities for healthcare facilities in rural Kenya.

## INNOVATION IN THE FINTECH SECTOR

Fintech startups are on the rise in Africa. African Tech Ecosystems of The Future 2021/22 indicated that South Africa is at the forefront of fintech startups. The sector is moving more towards seamless digital payments, growth of digital platforms, financial inclusion, and the growth of B2B players among others.

As earlier mentioned, USD 200 million was invested by Sequoia Heritage, Stripe and other investors into an African fintech Wave valued at USD 1.7 billion. What is even more unique about **Wave** is its strong focus on unconventional and untapped markets in the neglected Francophone Africa and East Africa (Ivory Coast, Senegal, and Uganda). Norrskan backed **Kwara**, a Nairobi and Berlin based startup, is another rising star in FinTech, on a mission to enable the world's three billion underserved population to become financially healthy by converting credit unions into modern digital banks. Their offering provides credit and digital banking solutions to small holder farmers and credit unions.

## INNOVATION IN THE MASS MEDIA MARKET

In an age where data and information are the new oil, mass media is experiencing steady growth as demand for constant on-the-go affordable and contextualised content continues to grow. Steered by increased need for access to information, Africa remains untapped even though it is the fastest growing digital market with 1.3 billion people. The mass media segment has less than 10 players offering local and contextualised content, and this is definitely a good solution for potential investors.

The Swedish firm **Addstep** launched its music streaming application service **Jumamo** in Nigeria, completely adapted to that market but with the aim to continue targeting emerging markets. The founders recognised the potential in Nigeria since it is a mature market in telecommunication and mobile usage, with a large and vibrant music scene. Nonetheless, most of the music produced in the country is not prepared for music streaming. There are plenty of files and CDs available, however it lacks necessary components and information needed for streaming to the consumers e.g., artist, genre, artwork etc. and administration information such as copyright owners. Addstep gather all this information to ensure a smooth experience for the end-consumer and payments to the right stakeholders. The mobile application is free of charge for the end-consumer, and revenue is derived from in-app advertisements.

The Addstep team is “creating a diamond from a piece of coal” by having found a way for local artists and songwriters to capitalise on their existing information. Additionally, the firm will have unique music content as they are collecting data not only from the largest cities, but also from the rural communities.

**Afripods** is a pan-African podcasting platform with a vision of building the largest library of African stories. While podcasting has existed for a long time, it has rapidly evolved in the last five years and insider intelligence estimates that by 2025 there will be more than 144 million monthly podcast listeners globally.

*“A large corporation in our field told us that they know how to succeed and earn money in USA and Europe but has no clue how to do it in Africa.”*

– Richard Lindberg, Founder & CEO, AddStep

# HOW TO SUCCEED IN AFRICA

*“One of the greatest challenges facing entrepreneurs on the African continent is lack of trust from investors. During fundraising, the courtship period between investors and African founders takes far longer in comparison to that experienced by Non-African founders.”*

*– Norah Magero, Founder Drop Access & Cynthia Wandia,  
Co-Founder Kwara*

There are 54 countries in Africa, all with diverse languages, religions, as well as business cultures. It is essential to do your homework before entering a new market to approach the location in an appropriate manner. Business Sweden proposes a six-point approach to crack the code in Africa:

1. Take time to invest in **long-term relationships** should not be underestimated, as it can be very beneficial for companies to achieve your long-term goals in the markets. It is important from both parties' perspectives to gain trust from stakeholders and decision makers.
2. Dare to **explore the unexplored**. The degrees of matureness differ greatly between markets, regions, and sectors. By venturing out to the nascent stages of an industry, weighing the risks versus gains, one can take a market leader position and make a tremendous impact.
3. Strive towards having presence **in several geographical regions** and markets to avoid risks of putting all eggs in one basket, as the nations have notable differences in political ruling and financial stability. There can be swift changes and it's crucial to spread the risk across the continent.
4. Target the mass market needs. If you manage to develop a product or service that serves the larger population in a market, convinces, and attracts the end users and have the needed supply chain, then you can become a long-term success in the markets.
5. Share information and **collaborate** with customers, competitors, and other stakeholders to innovate and address the market needs, hence engage in open process innovation.
6. **Digital technologies** are here to stay, and mobile connectivity and internet penetration are rapidly improving across the continent. This opens many doors for investors to enter new markets in ways that was challenging before. Find ways to access **relevant and unique data** to ride the digital transformation wave and the fourth industrial revolution.



## 1. INVEST IN RELATIONSHIPS TO SUCCEED “THE POWER OF PARITY”

Developing long-term strategies is necessary for creation of partnerships to create sustainable impact. Many of our interviewees refer to challenges such as lack of private sector involvement in the innovation area, trust between stakeholders as well as networking and mentoring opportunities. Some universities in Africa are creating stronger ties with enterprises, but overall, it is still unusual for academia to interact with the private sector. Every year, African governments are faced with the challenge of creating 12-15 million jobs and smaller and medium-size enterprises (SMEs) play a critical role in solving this problem. The World Bank reports that SMEs are responsible for 77 per cent of all jobs in Africa and 50 per cent of the GDP in some markets, while 80 per cent of the labour force (age 15 to 25) do not have the required skills to meet the market demands.

In this regard, **Ericsson** collaborates with the largest universities in Morocco. They operate on the premise that there is an urgent need to create an enabling environment and networks that bring different stakeholders together in an efficient way. Private sector and academia partnerships are a necessary catalyst for upskilling. To crack this code, investors can leverage on the triple or quadruple helix<sup>5</sup> approach in a new market context – a concept well tested in Sweden.

*“African markets demand long-term commitment. Do not expect to come here and “sell and run” but to continue to win trust from different players in the markets and to continuously invest in the society and individuals.”*

– Nora Wahby, Country Manager Morocco  
and Head of West Africa, Ericsson

**Opibus**, a Swedish/Kenyan firm implementing electric transport in emerging markets, chose to put its headquarters in Kenya as it is one of the fastest-growing markets in Sub-Saharan Africa with a growing amount of used vehicle imports. The firm launched in 2017 and entered the market knowing that there was immense potential there. However, Kenyan authorities had limited knowledge about electric vehicles (EV) at the time. Opibus collaborated with the Nairobi City County Government, the minibuses owners’ association, and the National Transport & Safety Authority to have Opibus convert minibuses and motorcycles to EVs. Hence, the county government lobbied for EVs as part of their advocacy work and demonstrated how this is aligned with the nation’s green transition and climate goals.

*“Africa is the largest untapped market in the world. There is an amazing potential here which Swedish companies have not yet exploited to full potential – compared to other European companies that are quite aggressive on the continent.”*

– Filip Gardler, CEO, Opibus

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<sup>5</sup> The triple helix model recognises three stakeholders in a relationship of innovation: universities, industries, and governments. The quadruple helix recognises four major actors in the innovation system: science, policy, industry, and society

## **2. GO OUTSIDE YOUR COMFORT ZONE TO WIN - “CONSIDER RISK AND GROWTH IN TANDEM”**

Companies have a golden opportunity to capitalise on untapped areas and unexplored market needs. Targeting up-and-coming growth markets in Africa instead of the already developed markets presents investors with a wide variety of opportunities. Evaluate options of entering growth markets which may be high risk at first can pay off with persistence and a long-term strategy built on a first mover advantage.

The mining sector in Africa is an example of how market maturity levels differ across the continent. Africa is a major producer of key mineral commodities across the continent and some major hubs are South Africa, Tanzania, Botswana, Democratic Republic of Congo, and Guinea. These markets are however mature, and many international powerhouses are already well-established in the markets. Other markets are projected to experience a stronger exponential growth, becoming Africa’s next mining territory, such as Nigeria that is increasingly attracting foreign investments and gaining importance by the Government with the release of Strategic Roadmaps. Moreover, Mali opened the world’s first fully autonomous underground gold mine in recent years. Hence, even these somewhat traditional industries are everchanging and international firms can have an impact when entering early-stage growth markets, especially within sustainable transformation.

Investors should factor in risk and return. A firm doesn’t want to develop products that are not scalable, and the possibility to scale and calculate return on investment is difficult when the needs are so different across the African continent. It is essential to assess decision-making based on real business cases and to calculate a best-case and worst-case scenario and to truly understand and take the worst-case scenario into account.

Navigating operations from a foreign office or afar can be challenging. Investors are therefore advised to go for local presence. There is large potential with access to skilled local labour force, excellent access to good raw materials, shorter lead times to the markets, reduced operational costs and developing a local/regional chain of suppliers for production.

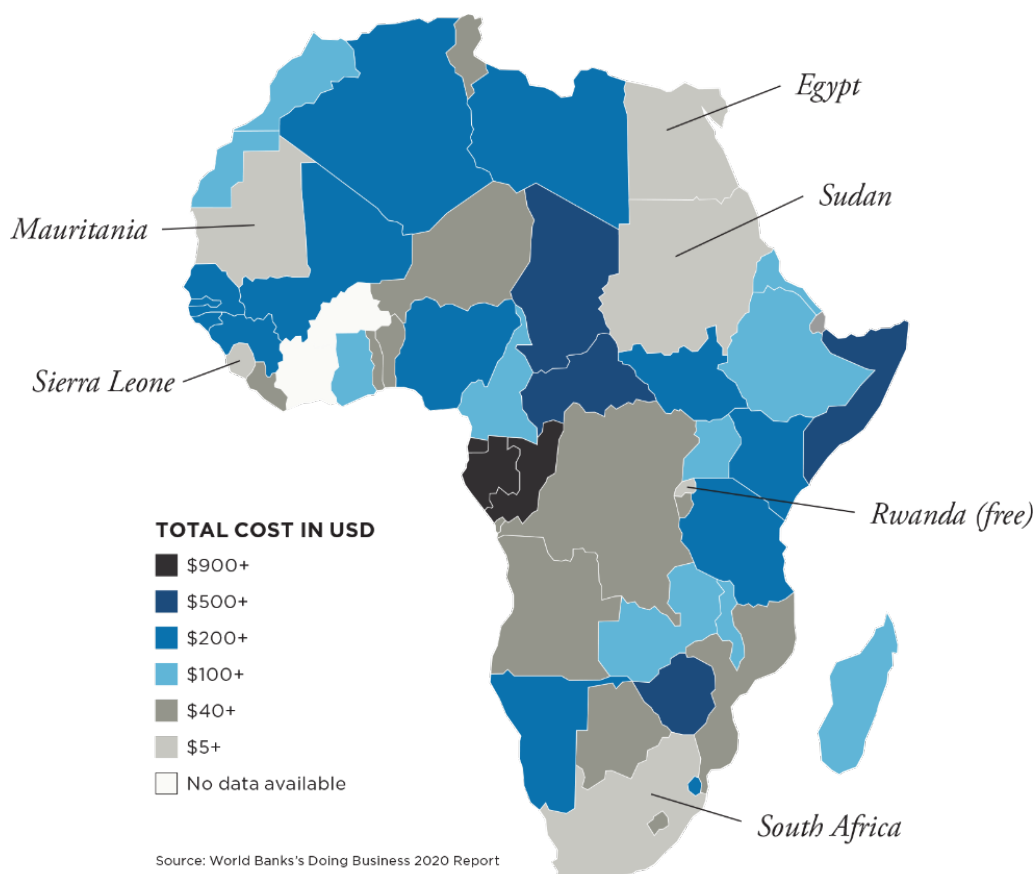
*“We would not have been successful without developing local resources on the African continent. Find local solutions to local problems and develop services from Africa to Africa.”*

– Sebastian McKinlay, Executive Chairman, Moringa School & former Board Chair, Twiga Foods

### 3. DIVERSIFY YOUR PORTFOLIO SPREAD YOUR RISK ACROSS MULTIPLE GEOGRAPHIES

Each country on the continent is distinct in terms of economy, population, and geography hence a “one-size-fits-all” approach in any African market is unwise. There are large cost differences between countries for starting a business, ranging from Rwanda where registering a company is *free*, to Equatorial Guinea where the same procedure costs USD 2,321. Other affordable markets to start a business in is Egypt and South Africa, both having a cost below USD 15. It is important to note that the company registration cost is just a smaller share of the total cost of setting up a business in a foreign country, however the cost of setting up business also seems to correlate with ease of doing business in the country. Countries in Africa have varying degrees of attracting foreign investors based on several factors. There are countries such as Rwanda that have proven to provide conducive environments such as legislative requirements that are attractive to investors. The process of registering a company in Rwanda would take a day and makes it one of the most attractive countries for foreign investors. Politics can play a big role in determining business fortunes, such as political instability in South Sudan and sudden changes in governments in Sudan which was recently lifted off the World Bank blacklist. It is therefore critical for businesses to adopt a rigorous approach to evaluate and manage political risk, such as trends in government management and policy, and how it can impact the investment. One method to mitigate volatility and aforementioned risks is to spread investments across several geographies and different tier countries. International firms tend to launch in Tier 1 markets in Africa, where competition already is fierce. A suggestion is to try and have cross border offices in both Tier 2 and Tier 3 markets to spread the risk and perhaps enjoy less competition. Entering and investing early in a market can pay off in Africa as it is dubbed the fastest growing continent in the world.

#### RWANDA IS THE COUNTRY WITH THE LOWEST COST OF STARTING A BUSINESS IN AFRICA



#### 4. ADDRESS MASS MARKET NEEDS THAT WILL MAKE YOU A WINNER “TARGET THE 600+ MILLION POPULATION LIVING IN THE RURAL AREAS”

Current companies and future investors have the opportunity to cash in on Africa’s demographic dividend. For example, Covid-19 was the catalyst for the migration to digital payments and e-commerce resulting in increase in the number of users and value of transactions processed by some of Africa’s unicorns Fawry, Interswitch, Jumia and Flutterwave. Three of these startups are in Africa’s most populous country – Nigeria.

Population in Africa is forecast to double by 2050, leading to strong urbanisation growth influencing new rising hotspots and megacities on the continent. By 2100, Nigeria’s population is projected to exceed 800 million people while the DRC, Egypt, and Ethiopia will have grown their populations by 205 per cent, 117 per cent and 106 per cent respectively. **Equity Bank** of Kenya has already seized the opportunity by setting base in Kinshasa – DRC, a city of about nine million people which is almost three times larger than Nairobi’s population.

An essential tip is to address solutions to local challenges through increased collaborations, which is common among local startups. Either bringing services ‘from Africa to Africa’ or to fully design the product for the African markets. A successful product in Africa may also generate sales abroad. **Electrolux** is developing their kitchen utilities to the local markets in Africa, with the idea that they can become relevant in their developing markets too because of changed ways of living. Similarly, **Koko Networks**, produces affordable biofuel stoves designed particularly for the Kenyan market which has unintentionally become a success in developed markets as an efficient and practical camping stove.

*“When business is going well for a Swedish company,  
dare to try out African markets! For us it was a ‘blue ocean’  
– but no one could do what we could, so it was easy to meet clients.”*

– Tomas Svidén, International Key Account Manager, Telenor

Retail in many parts of Africa is informal, fragmented, and enormous with over 10 million informal shops selling over USD 180 billion worth of goods each year. However, these shops face challenges such as stock-outs, limited access to vital business infrastructure and financial services. Kenyan based company **Sokowatch** connects the informal retail sector in Eastern Africa to the digital economy by enabling shopkeepers to order products via SMS or mobile app and receive freely on the same day and the delivery is done directly to their shop. Sokowatch has built a credit scoring model, powered by historic purchasing data, where users accumulate a credit worthiness that can be used towards access to credit and financial services.

*“Africa is a huge market. There is a demand in all African markets almost regardless of product segment and do not judge the market before getting to know it. Dare to trust yourself and follow your gut feeling that it will be possible to distribute products on the market(s).”*

– Johann Carstens, Carican Group

Companies that adapt their business models to low margins and high volume can make themselves relevant to the 85 per cent of Africans living below USD 5.5 per day. It may require more investigation, effort, and creative thinking than to offer more traditional services to the urbanised populations. Nonetheless, a company may enjoy less competition and a strong first-mover advantage, building trust among the local communities and creating awareness among the large populations which is a promising foundation for further development.

*“Understand the market, speak the language of the people. Ensure that you are reaching the big mass with solutions targeting the whole population. Try to reach the young population.”*

– Chukwuemeka Fred Agbata, Co-founder of Techbuild, Africa  
and Partner, Pacer Ventures

## 5. WINNING THE OPEN PROCESS INNOVATION - “ADAPT COOPETITION”

Firms desiring to win in Africa may benefit by the concept of coopetition (cooperation between competing companies). Businesses have proven to gain advantage by using a judicious mixture of cooperation with suppliers, customers and firms producing complimentary or related products. The **Cape Town-Stockholm** connect is one such initiative. It is an internationalisation project and co-creation platform running from 2020-2023, with the overall aim of strengthening ties between the tech industry in Sweden and South Africa.

**Ericsson** plans to create an open innovation platform in Nigeria called Automation Hub (announced in 2021), inspired by lean startup methodology where the company works closely together with customers, users and partners to discuss key areas for digital products (including 5G, IoT and support systems) to foster the digital transformation in Africa.

*“Small companies in Africa are more innovative as R&D is not in the big players. For corporate startup collaboration to be successful we need to pair up organisations with similar synergies and vertical alignment.”*

– Sheilah Birgen, Country Lead KTN Global & CEO, The Cord

Entrepreneurs and startups may even serve African needs better than the international giants, and new ventures tend to have sustainability as part of its core DNA from the start. It is said that a good innovation should be both sustainable and cost effective. A sustainable business model considers how economic, social, environmental, and educational aspects can be part of the innovation to improve both the business and society.

*“Sustainability relates to anything that gives people meaningful living, social security and stability. We need to move away from textbook definitions of sustainability being related to clean energy or plant-based living. It could be as simple as automating processes to make production cheaper.”*

– Pascal Murasira, Managing Director, Norrsken East Africa

## 6. RIDE ON THE DIGITAL TRANSFORMATION WAVE

Digital transformation and economy play central roles in the sustainable development of Africa and can help to eradicate poverty, reduce inequalities and ensure free movement of goods and services. Boosting connectivity through increasing access and affordability is essential for disruptive development in Africa. Mobile connectivity is advancing and whilst credit cards are still quite uncommon, mobile banking are becoming more widespread in Africa – including in rural areas where a visit to the nearest bank could be days away of walking distance. Kenya has one of the highest rates of financial inclusion in Africa, where 75 per cent of the population has a mobile money account compared to 43 per cent in Uganda (very impressive considering only 11 per cent of Ugandans have a bank account).

*“Africa failed the first, second and third industrial revolution. We are in the fourth now and we do not want Africa to fail this one too. Africa is still a raw material exporter but now we are in a digital time and digital technology is a must, as many things are happening digitally and not physically. For example, people who can’t read and write can still use mobile phones.”*

– Mammo Muchie, Professor at Tswane University  
of Technology, Pretoria

E-commerce in Africa has been growing fast in recent years and the trend is predicted to continue. Drone technology and 3D printing have helped some African nations to bypass infrastructure challenges and improve access to markets that weren’t reachable before. This has been the case in Nigeria which is Africa’s biggest e-commerce market with 76 million online shoppers.

*“Fantastic marketing opportunity for Swedish technology. Swedish companies are strong in digital sales strategy. Implementation in an African context can be considered advanced. Use your digital knowledge and presence to push sales.”*

– Filip Gardler, CEO, Opibus

Internet usage across the continent is growing at a rapid pace as more individuals have access to smart technology and social media, however the availability still lags behind the mobile connectivity.

Norwegian firm **DataDrivenFinance** (DD Finance) offer low-cost insurance for low-income populations globally, with its first start in Kenya. DD Finance has its product portfolio based on perceived risks by low-income households. These risks include:

- main income-earner passing on
- hospitalisation
- fire in residence, and
- outpatient care

At a cost as low as USD 2 per year, a member can obtain an income loss insurance cover which amounts to a daily pay-out of USD 5 in case of hospitalisation and a payout of USD 100 in the event of a loss of life. The company's model is based on the fact that the poor and excluded populations of emerging economies belong to informal networks which operate on the basis of trust and reputation between individuals within a group and between groups. Hence the company delivers an affordable insurance solution among financially excluded populations. By working directly with the communities, the company can obtain primary data from millions of their clients which is eventually going to be a critical factor when it comes to commercialisation. This data can help inform future predictions, market segmentation, pricing models, complementary offerings, and other valuable information.

*“Data is the new oil. Invest in infrastructure that collects the data.”*

– Sebekedi Motlhabane Koloji, Portfolio Manager Technology at Wesgro and  
Cape Town Stockholm Connect

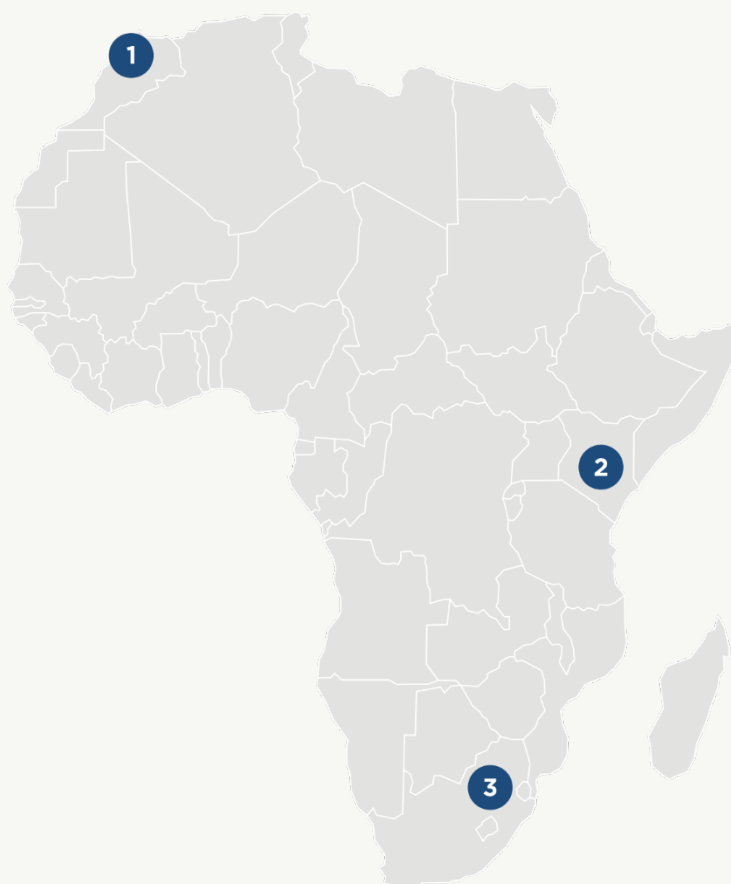


# ABOUT BUSINESS SWEDEN

Business Sweden's purpose is to help Swedish companies grow global sales and international companies invest and expand in Sweden. Swedish companies can trust us to shorten time to market, find new revenue streams, and minimise risks.

We offer strategic advice and hands-on support in more than 44 markets. Business Sweden is owned by the Swedish Government and industry, a partnership that provides access to contacts and networks on all levels.

Business Sweden has three dedicated teams in Africa supporting Swedish companies realise their global growth ambitions. Our teams have cross sector local knowledge and global expertise and can help to assess your readiness level for market entry, provide market analysis and strategic guidance, and help your company pursue opportunities.



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- Tomas Svidén, International Key Account Manager, Telenor
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