PAEC RESEARCH SERIES | TECHNOLOGY, DIGITAL ECONOMY & INVESTMENT

Digital Transformation in Africa

Connectivity, Fintech, Digital Public Infrastructure, AI and the Emerging Pakistan-Africa Technology Opportunity

Africa's digital economy is moving from mobile access to platform-scale transformation. Pakistan's software, payments and services base creates a practical foundation for long-term technology partnerships.

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AT A GLANCE

Key Digital Economy Indicators

36% Internet use in Africa, 2025	**416M** Mobile internet users	**US$220B** Mobile contribution, 2024	**US$270B** Projected by 2030
1B+ SSA mobile money accounts	**US$1.68T** Global mobile money value	**US$3.8B** Pakistan IT exports	**88%** Pakistan retail payments digital

Primary references: ITU, GSMA, African Union, AfCFTA Secretariat, UNCTAD, PSEB and State Bank of Pakistan.

OVERVIEW

Executive Summary

Africa's digital transformation is the convergence of access, payments, identity, cloud, data, artificial intelligence and digitally enabled trade.

Mobile remains the primary gateway, but the next phase depends on closing the usage gap, making devices and data affordable, expanding skills and building trusted infrastructure. Mobile money and digital public infrastructure are also creating rails for commerce and government services.

Pakistan's practical route is: Market Selection - Local Partnership - Regulatory Compliance - Pilot Deployment - Interoperability - Localization - Regional Scale.

01-02

Connectivity and the Mobile Economy

ITU estimated that 36% of Africa's population used the internet in 2025. Mobile networks cover far more people than currently use mobile internet, leaving a usage gap of roughly 960 million people. Affordability, skills, local content, trust and device access are now as important as coverage.

Affordable Access

Low-cost devices, financing, shared access and efficient data packages.

Network Software

Billing, customer care, fraud control, analytics and managed services.

Local Content

Education, commerce and public services for local languages and contexts.

Enterprise Connectivity

Cloud-ready links, cyber protection and managed infrastructure.

The mobile industry contributed an estimated US$220 billion, or 7.7% of African GDP, in 2024 and is projected to contribute around US$270 billion by 2030.

03-06

Mobile Money, DPI and Digital Trade

Sub-Saharan Africa passed one billion registered mobile money accounts in 2024. Wallets now support merchant payments, remittances, savings, credit, insurance, public transfers and business collections.

The longer-term opportunity lies in interoperable payment switches, digital identity, consent-based data exchange, electronic signatures and government platforms. The AfCFTA Protocol on Digital Trade provides a continental framework, but implementation remains country-specific.

Policy Direction	Commercial Response
Digital inclusion	Affordable, accessible and low-bandwidth products
Interoperability	Open standards and documented APIs
Digital trade	Cross-border payments, e-commerce and trade facilitation
Trust and safety	Privacy, cybersecurity, consumer protection and auditability
Skills and innovation	Local talent development and knowledge transfer

07-10

Cloud, Data Centres, AI, Cybersecurity and Skills

Africa receives only a small share of global data-centre investment, while demand is increasing for local hosting, sovereign workloads, cloud migration, disaster recovery and low-latency services.

Cloud & Data Centres

Migration, managed hosting, backup, continuity and efficient infrastructure.

Artificial Intelligence

Applied AI for agriculture, health, finance, language, logistics and government.

Cybersecurity

Managed detection, identity security, incident response and compliance.

Digital Skills

Software, cloud, data, cyber, product and BPO training.

AI must be accurate, explainable and suited to local data realities; cybersecurity must be embedded from design through operations; and workforce development should accompany deployment.

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Digital Market Hotspots

Kenya

Mature mobile-money ecosystem and East African innovation hub.

Nigeria

Continental-scale market with deep fintech, e-commerce and software demand.

South Africa

Advanced enterprise, cloud and data-centre market with rigorous compliance.

Egypt

Large Arabic-speaking market and technology talent gateway.

Rwanda

Digitally ambitious public sector and practical govtech test market.

Ghana, Morocco & Ethiopia

Distinct West, North and East African opportunities.

There is no single African digital market. Language, regulation, payment behaviour, procurement and partner quality vary materially by country.

12-15

Pakistan's Digital Base and Capability Match

Pakistan's IT and IT-enabled services exports reached a record US$3.8 billion in FY2024-25. State Bank of Pakistan data show that digital channels accounted for more than 88% of retail payments during the same year.

Pakistan Capability	African Opportunity
Software & IT Services	Custom platforms, enterprise systems and managed development
Fintech & Payments	Wallets, gateways, switching, merchant tools and remittances
Digital Identity & GovTech	Portals, registries, government payments and identity integration
Cloud & Cybersecurity	Migration, resilience, managed infrastructure and security
BPO & Digital Skills	Shared services, support, training and talent partnerships
Sector Technology	Healthtech, agritech, logistics, e-commerce and education

16-21

Priority Solution Areas for Pakistani Companies

Fintech

Merchant payments, remittances, onboarding, KYC, fraud prevention and SME finance.

GovTech & DPI

Citizen portals, registries, payments, identity integration and procurement.

HealthTech

Hospital systems, telemedicine, pharmacy, laboratories and analytics.

AgriTech

Farmer services, traceability, weather, market access and finance.

E-commerce & Trade

Marketplaces, logistics, customs tools and B2B sourcing.

Skills, BPO & Software

Joint delivery centres, outsourcing, academies and localization.

Successful solutions are affordable, mobile-first, interoperable, multilingual where needed, resilient under limited bandwidth and supported by reliable local teams.

22-23

Standard Digital Market-Entry Process

01 Market & Use Case

Evaluate demand, regulation, infrastructure and buyer economics.

02 Regulatory Perimeter

Map licensing, privacy, payments, telecom, tax and sector rules.

03 Verified Partner

Assess delivery, reputation, relationships and financial capacity.

04 Localize

Adapt language, pricing, workflows, hosting and performance.

05 Measurable Pilot

Define users, controls, integration, service levels and metrics.

06 Privacy & Security

Use minimization, access control, encryption and incident plans.

07 Skills Transfer

Train local teams and document operations and support.

08 Regional Scale

Expand after proving economics, compliance and execution.

Companies must identify data-controller roles, lawful grounds, transfer restrictions, breach duties, retention limits and sector rules before deployment. Continental frameworks do not replace national law.

24-26

Challenges, Investment Gap and Outlook

Risk	Practical Response
Access & affordability	Design for device constraints, data costs and uneven connectivity
Trust & cybersecurity	Build privacy, fraud controls, resilience and incident response
Regulatory fragmentation	Use modular compliance and qualified national advisers
Infrastructure constraints	Plan for power, hosting, connectivity and continuity
Skills & adoption	Pair technology with education and local capacity
Capital & collections	Stage investment around pilots and demonstrated demand

Growth through 2030 will be led by deeper mobile usage, everyday digital payments, national and regional digital infrastructure, cloud adoption, applied AI, cybersecurity and cross-border digital trade. Pakistan's advantage is adaptable technology and skilled services at competitive cost.

INSTITUTIONAL ROLE

PAEC Perspective

Pakistan should become a long-term digital transformation partner.

Market Intelligence

Country, buyer, competitor and opportunity mapping.

Partner Identification

Local technology, channel and institutional relationships.

KYC & Due Diligence

Ownership, capability, reputation and compliance checks.

Pilot Facilitation

Scoped introductions, delivery planning and success measures.

Regulatory Coordination

Country-specific licensing, privacy and sector support.

Regional Expansion

Investment matchmaking and multi-market scaling.

ESSENTIAL FINDINGS

Key Takeaways

Access

Broad network reach but a large internet-usage gap.

Mobile Money

A platform for commerce and public services.

DPI & AfCFTA

New potential for interoperability and cross-border trade.

Next Layer

Cloud, data centres, AI, cybersecurity and skills.

Pakistan

Export-ready software, payments, BPO and public-platform experience.

Execution

Country compliance, localization and capable partners are decisive.

TRANSPARENCY

Data & Methodology Note

This report synthesizes official strategies, statistics and sector research from the African Union, AfCFTA Secretariat, ITU, GSMA, UNCTAD, World Bank, Pakistan Software Export Board, State Bank of Pakistan and Pakistan's Ministry of IT and Telecommunication. Figures retain the source reporting year.

Official links were reviewed on 28 August 2026. Digital policy, licensing, data protection and market conditions change. This report provides strategic market intelligence, not legal, financial or regulatory advice.

Related Sources & Official Reading

- African Union - Digital Transformation Strategy 2020-2030
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- ITU - Facts and Figures 2025: Internet Use
- GSMA - The Mobile Economy Africa 2025
- GSMA - Mobile Money 2025
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- PSEB - Pakistan IT Exports US$3.8 Billion
- State Bank - Payment Systems Review FY2024-25
- Ministry of IT & Telecommunication - Policies

EXPLORE DIGITAL OPPORTUNITIES ACROSS AFRICA

Move from technology capability to market execution.

PAEC supports technology companies, investors and public institutions building trusted Pakistan-Africa digital partnerships.