



Research findings
and recommendations

THE PROMISE OF THE DIGITAL ECONOMY





How we did this

An innovative approach – the first of its kind
– exploring the potential of the digital
platform economy in South Africa

09
MONTHS

Multi-stakeholder research

Industry and business associations, government institutions, digital skills providers, start-ups, SMMEs, DFIs, and media.

Approach

A combination of traditional consulting approaches with academic study

PHASE

Situational analysis, industry overview, and identified data gaps and perceptions

1

PHASE

Assessed the state of the South African digital platform economy

2

PHASE

Three-phases: Economy-wide and Naspers-level impacts, supplemented by stakeholder interviews

3

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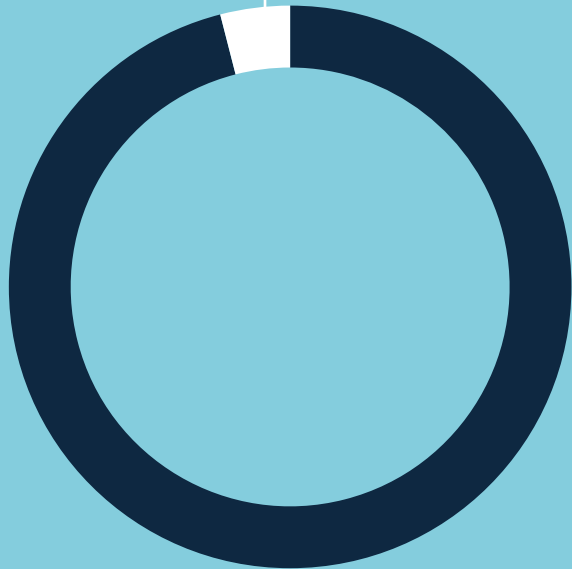
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“Will it be us?”

The promise of the digital economy

Only

40%



of South Africa's top
20 companies by market
capitalisation are involved
in digital technology.

FROM RESOURCES TO DIGITAL TITANS: GLOBAL MARKETS EVOLVE AS SOUTH AFRICA HOLDS STEADY



Source: New York Times, January 2024

**“We have a
burning platform”**
We cannot afford to
leave people behind

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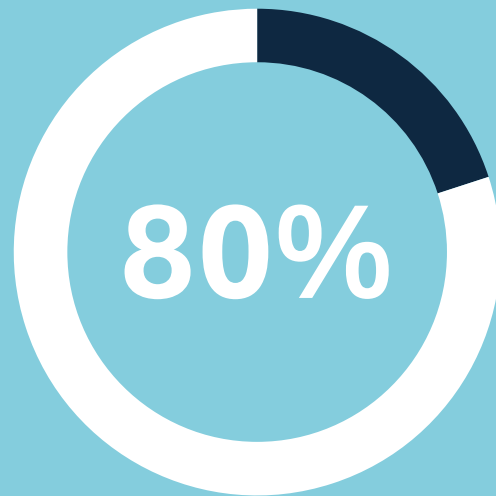
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South Africa's mobile connections have surpassed

1000%

with GSMA Intelligence data showing **mobile connections were equivalent to 187.4% of the total population** in January 2023.

However, statistics show that approximately



of homes in SA remain unserved by fast and affordable broadband internet.

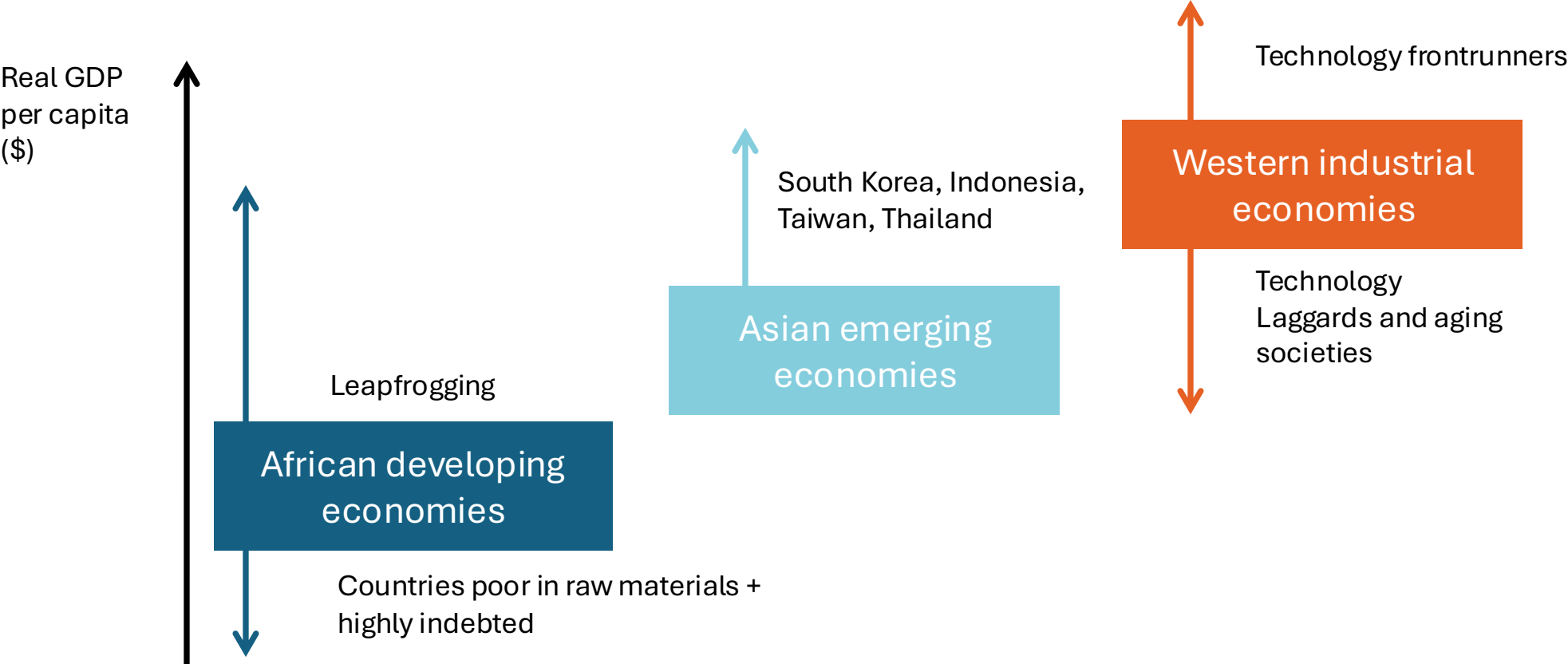
Only about



of the population has access to internet connectivity through fibre or fixed wireless access.

OUR GLOBAL COMPETITIVENESS IS AT RISK

Global wealth will be redistributed due to digitalisation



Source: Bertelsmann Stiftung, Digital Economy: How is digitalization changing global competitiveness and economic prosperity?

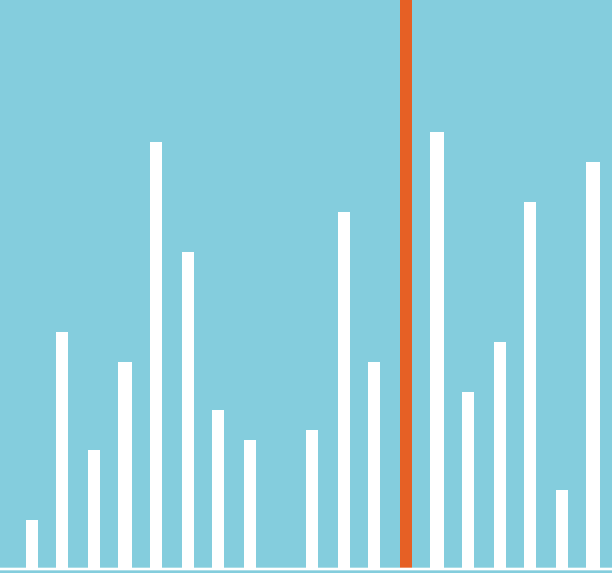


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What we found and what we need to collectively do Our digital horizon – Naspers and MISTRA Research

01

The pace of digital transformation in South Africa is slow



FINDING

Between 2010 and 2022, the world's top 20 companies shifted from being resource-driven (36% to 7%) to dominated by **digital platforms (16% to 56%)**.

RECOMMENDATIONS

Drive collective action among business, government, and civil society for faster digitalisation.

Develop a national digital transformation dashboard to track progress.

Accelerate digital adoption and improve data privacy and cybersecurity

Broaden marketplace opportunities to spur local industrialisation.



02

The demand for digital skills is growing rapidly



FINDING

STEM graduates in South Africa account for just **18%** of the total, compared to over 30% in innovation leaders like India, the UAE, and South Korea.

RECOMMENDATIONS

Boost STEM education from the basic level.

Coordinate digital skills training programs nationally.

Align training with high-demand occupations and industry needs.

03

Infrastructure is key to unlocking the promise of the digital platform economy and AI



FINDING

At an average of **\$1.81 (R33.21) per GB**, mobile data costs in South Africa are among the highest, surpassing those in markets like Nigeria, Namibia, and Kenya.

RECOMMENDATIONS

Fast-track high-speed internet and digital infrastructure expansion.

Prioritise digital platform infrastructure in national development plans.

Improve energy and logistics reliability for digital services.

04

Regulations must be alive to the nascent nature of the South African digital platform sector

FINDING

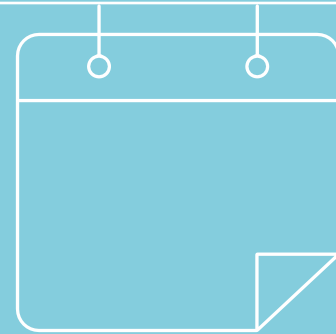
It can take up to **180 working days** to process certain regulatory approvals, which hampers timely access to digital infrastructure and services (ISPA).

RECOMMENDATIONS

Introduce regulatory sandboxes to encourage innovation.

Support hyperlocal platforms to foster digital inclusion.

Include the digital platform sector in national economic tracking systems for better regulation.



05

Digital platforms will play bigger role in economic inclusion and social protection

FINDING

SMEs contribute **30% to 40% of GDP**, but in townships and rural areas, they are mostly informal and need more focus on competitive products or digital services.

RECOMMENDATIONS

Enhance SME participation and market access.

Develop incentives for local producers in e-commerce.

Promote social protections for gig workers.

Expand digital access in rural and underserved areas.

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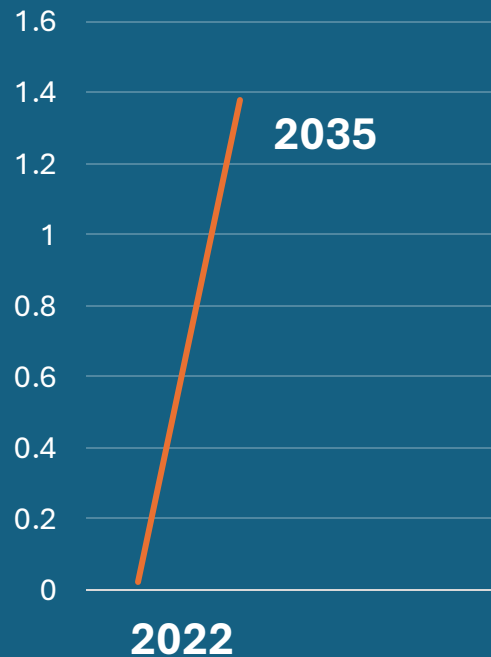
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Our Digital Horizon

The economic opportunity

Just **91.4BN**



in value could be added to South Africa's economy by 2035.

This growth would see the sector's contribution to the economy rise from a modest 0.02% in 2022 to a substantial **1.38% by 2035.**

To accelerate the pace of digitalisation in South Africa, and to achieve this bold aspiration, three critical enablers are important, including:

A **20x** growth of digital platforms value added contribution in South Africa over (10) years.

Economic growth at least **3% per annum** in South Africa, which will support faster growth of the digital platforms market, more disposable income for the average consumer and household, and an enabling environment for businesses

A concerted focus on **five** key areas highlighted before.

What will it take
to get to our digital horizon?

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But realizing this potential requires **collective action**.

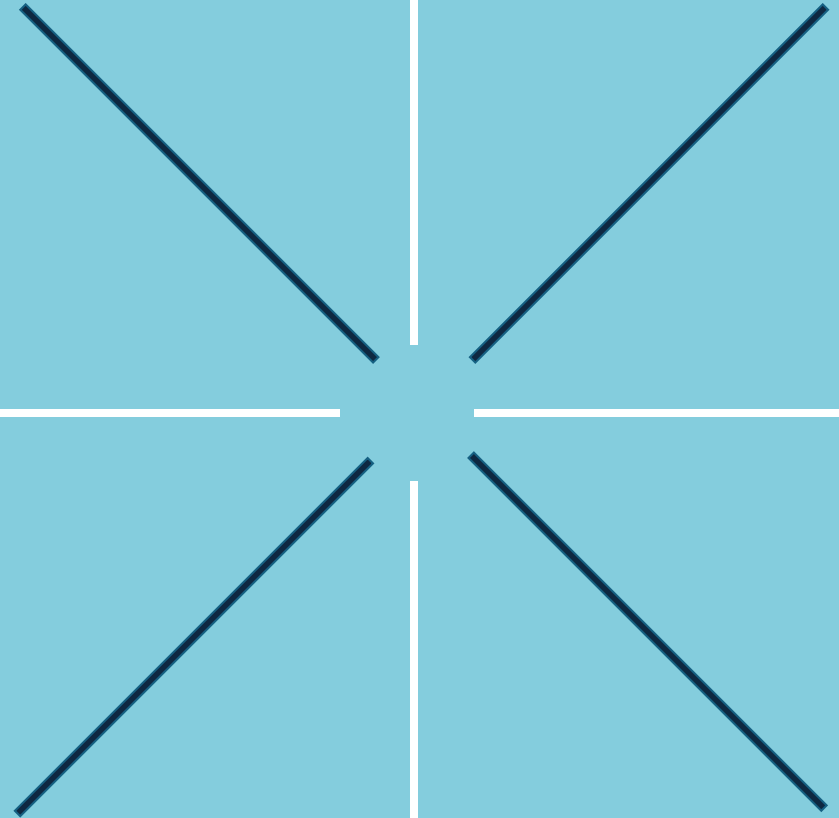
This report is not a silver bullet, nor can any single sector achieve these goals in isolation.

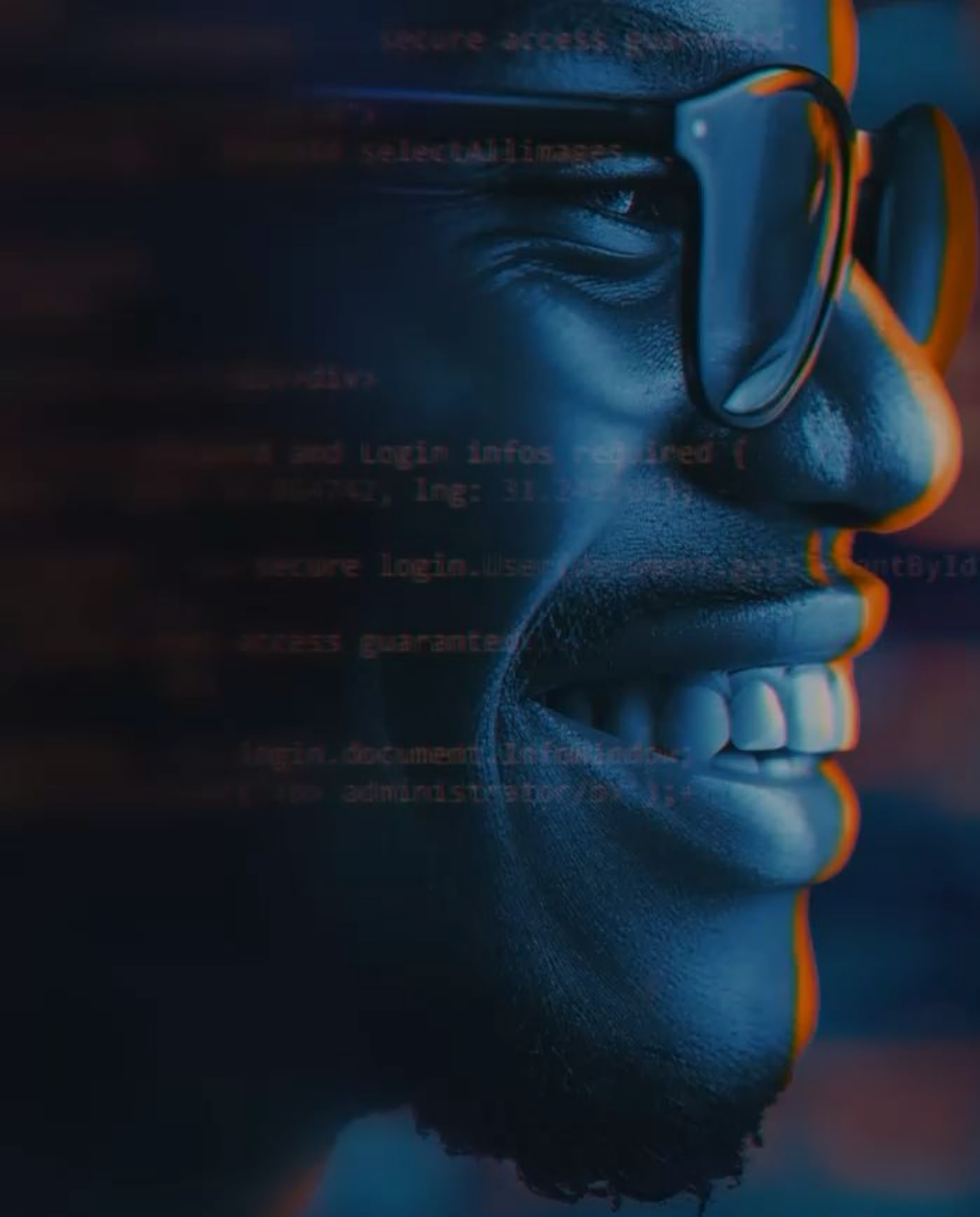
It is, however, a **critical starting point** – a conversation and action starter.

It's an invitation for business, government, and civil society to **come together and build a digital future** that benefits all South Africans.

By **collaborating across sectors** and **committing to this shared vision**, we can ensure that South Africa doesn't just participate in the digital economy...

... but leads it, creating a **prosperous and inclusive future for our country.**





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