AI Made in Africa: Voices from AI businesses across Africa

Amplifying the perspectives of African AI businesses to drive meaningful growth

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giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

BRITER

Executive summary

Ecosystem snapshot

311
African AI Businesses mapped

85
African AI businesses analysed in the survey

35+
Sectors in which AI businesses operate

$1.3B
Funding mobilised by African AI businesses (2014-2026)

$225K
Median ticket size raised by African AI businesses (2016-2026)

This report presents findings from **311 AI businesses across Africa,** alongside the 2026 African AI Business Survey, of which this report incorporates responses from 85 African AI businesses between April and July 2026, supplemented by interviews with 15 AI businesses, ecosystem support organisations, investors, and regulators.

AI is becoming the core technology for African businesses. Broader mapping of AI businesses showed that the majority were adopting AI technology into existing services, but a targeted survey showed that 75% of respondents consider AI-based products and services as core components of their operating models. This trend is concurrent with the expansion of GenAI tools since 2022, which have broadened access to advanced AI and machine learning capabilities. These developments highlight the importance of strengthening an enabling environment for inclusive, sustainable, and responsible AI innovation across Africa.

Key challenges

- **Customer trust and AI literacy need to be improved for consumer-level AI adoption.** Companies report spending significant time educating customers, demonstrating AI reliability, and overcoming scepticism around model performance. These challenges are further compounded by the limited contextual performance of many globally trained AI models in African settings. Long procurement processes, legacy systems, and data quality challenges also continue to slow adoption.
- **Lack of high quality data.** One third of surveyed AI businesses pointed out that the lack of data availability, which also leads to high development costs, is one of the leading barriers to scaling. Businesses often spend a long time consolidating available public data, such as land use or satellite data, and spend a lot of resources to fill the gaps.

How the ecosystem is reacting

- **African AI businesses are not fixed on one consumer segment, but more focused on proving commercial pathways.** 88% of surveyed companies target other businesses and 44% target the government as customers. AI businesses frequently serve multiple customer groups simultaneously to diversify revenue streams and build market resilience.
- **AI Businesses develop their own datasets.** The first wave of African AI businesses already acquired consumer or topical data through existing products and services, and they utilise AI as a technical layer to improve the product.

- **There is an asymmetry between the cost and the price of AI services.** 56% of AI businesses price their products under $2,500 annually per customer. And 65% of AI businesses cite cloud and compute costs as their single highest cost ahead of data acquisition. Given that Africa accounts for less than 1% of global data centre capacity despite hosting approximately 18% of the world's population[1], the vast majority of AI computation is happening on foreign servers, and access to them is denominated in foreign currencies. This creates a structural asymmetry where AI companies absorb costs of internationally benchmarked infrastructure (APIs, GPUs, globally priced cloud infrastructure) while selling into lower-income operating environments.

- **AI talent scarcity is a structural problem.** Africa holds just 1–3% of the global AI talent pool[2], and senior technical roles are acutely difficult to fill. 54% of surveyed companies say AI research roles are the hardest to hire for, followed by MLOps and infrastructure roles.

- **The cost of AI infrastructure, not technical preference, influences the AI tech stack of African AI businesses.** At the earliest stages, companies spread relatively evenly across building in-house models, using open-source models, accessing third-party APIs, and hybrid combinations of these, largely driven by cost accessibility, rather than technical strategy. As companies raise more capital and move into the $1M–$10M funding band, hybrid architectures become increasingly accessible and therefore common. Companies layer proprietary datasets, fine-tuning systems, and workflows on top of open-source foundations to balance cost efficiency with competitive differentiation.

- **AI businesses remain relatively lean, and they train in-house.** Most AI businesses operate with lean teams even when they have scaled: only 2% employ 250 or more people. Rather than waiting for external talent markets to improve, 47% of companies have responded by building formal internal training pipelines, hiring junior engineers and upskilling them into specialist roles.

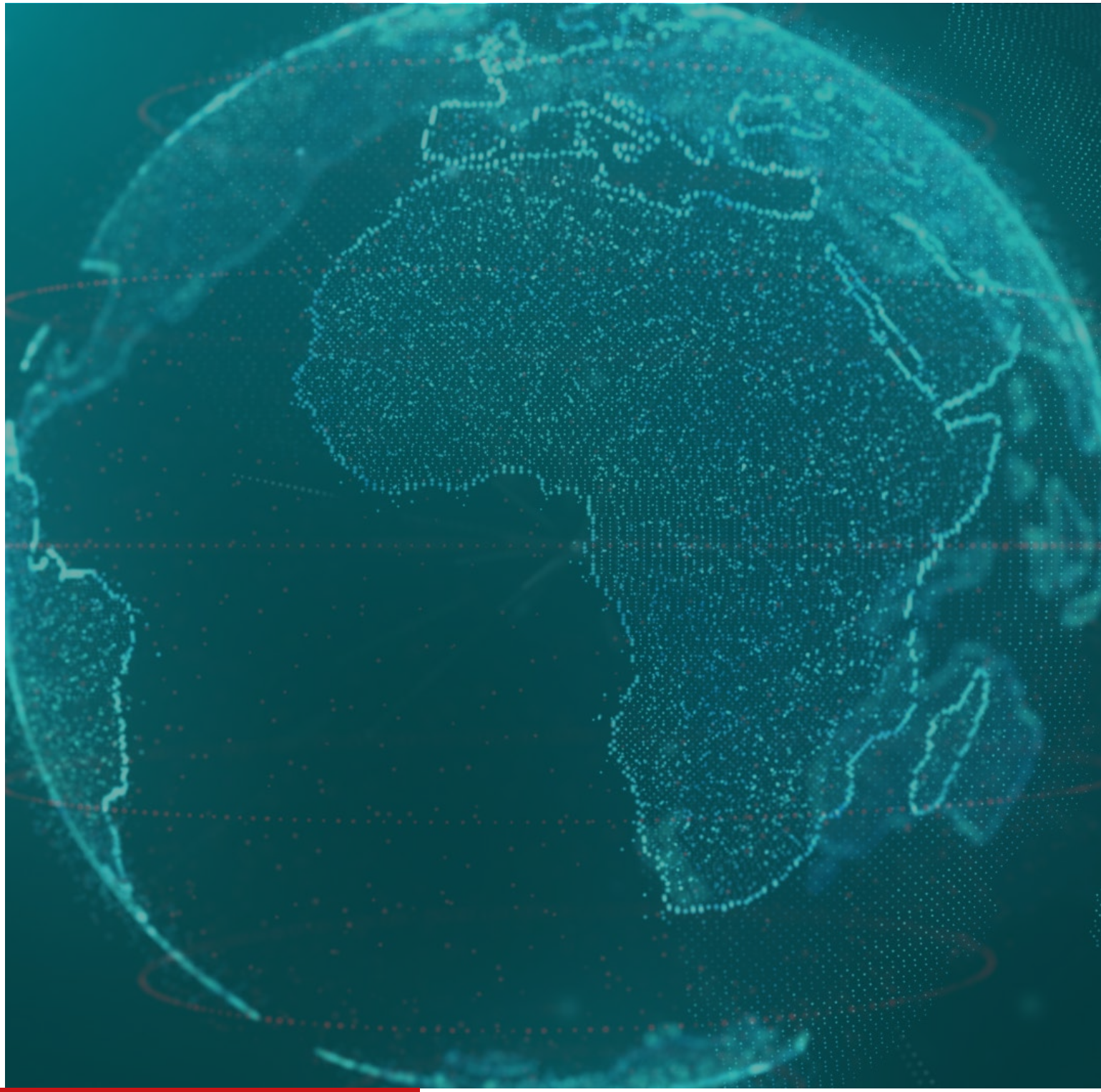
What can help African AI Business founders scale meaningfully?

- **More contextual funding in the space.** AI resources are helping companies and institutions run more efficiently. But useful, contextually appropriate AI needs something else: high-quality data, deep expertise, and market testing. That data and infrastructure are expensive, which makes R&D cycles longer, and costs higher and harder to predict. While funding interest in AI businesses has been increasing, investors are focusing on AI businesses with commercial proof points, and many early-stage AI businesses are struggling to showcase that. This explains why 20% of businesses labelled increasing revenue, and 11% fundraising, as scaling priorities. On the investment side, founders are not simply asking for more capital: the qualitative data consistently surfaces a demand for patient, contextually literate investors who understand that B2G sales cycles in African markets typically run 12–18 months, that currency devaluation is a structural operating risk rather than an exceptional event, and that product-market fit in these contexts looks different from Silicon Valley benchmarks
- **Support on R&D and compute costs.** AI businesses responded that R&D and compute subsidies (64%)

1. Microsoft AI Economy Institute (2026), Global AI Diffusion Report Q1 2026
2. Businessday Tech & PwC Africa (2026), Rising Silicon Valley's AI Cost Offers Africa Early Warning

and cross-border data harmonisation (49%) are two of the highest priority interventions. Businesses also increasingly seek specialised AI hubs that provide GPU access, localised datasets, regulatory expertise, and institutional partnerships rather than generic business support infrastructure. Many AI businesses across Africa want two things: lower input costs and a stronger business case.

- **Offset the talent training burden.** Senior AI research roles are the hardest to fill for AI businesses, so they are increasingly training junior staff in-house. In addition, AI businesses are competing with global companies for talent, and often cannot compete on pay. Founders suggested that targeted support and subsidies to offset the cost of training, ecosystem building, and upskilling are crucial for developing and retaining the talent pool within their local ecosystem.
- **Being able to clarify policy questions.** Regulatory uncertainty is one of the scaling barriers African AI businesses face, and the main reason they would participate in a regulatory sandbox. They want access to regulatory experts and further clarity on how they should comply with new policies on data localisation and data protection laws.



Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Sitz der Gesellschaft / Registered offices
Bonn und Eschborn / Bonn and Eschborn

Friedrich-Ebert-Allee 32 + 36
53113 Bonn, Germany
T +49 228 44 60-0
F +49 228 44 60-17 66

Dag-Hammarskjöld-Weg 1 – 5
65760 Eschborn, Germany
T +49 61 96 79-0
F +49 61 96 79-11 15

E info@giz.de
I www.giz.de