

“Technology Critical to Africa’s Future as Global Player”, Says Continent’s Insurance Sector

Adoption and development of emerging technologies across Africa could lead to a more active role on the world stage, according to new survey among Africa’s business leaders.

Nairobi (Kenya), 19 April 2023: Africa’s insurance industry, itself undergoing fundamental, technology-led changes and traditionally seen as a mirror to the region’s wider economy, has identified the key technology trends that could significantly alter the course of the continent’s development.

Adoption of Smart AI chatbots, such as ChatGPT, blockchain and open-source data, are three of the top five technology trends most likely to impact all of the continent’s businesses by the end of this decade, according to the new survey carried out by pan-African reinsurer, Continental Re.*

Meanwhile, a more rapid expansion of Africa’s homegrown technology sector could initiate a gradual change towards the continent playing a more active role on the world stage. To accelerate growth, 54% of CEOs surveyed cited general investment in start-ups as the most promising path compared to 32% who believe Foreign Direct Investment (FDI) is required advance technological development in Africa.

Leading by example, almost a third of CEOs from Africa’s leading insurers who took part in the survey plan to invest between 3-5% of their revenue in anything from smart AI chatbots to robotics and clean tech. This could amount to over \$1 billion in investment.

The survey also found that the insurance industry is, in general, very optimistic when it comes to emerging technologies, with over 38% of respondents saying technology will be ‘great opportunity’ for their business over the next five years.

Continental Reinsurance’s Group Managing Director, Lawrence Nazare, welcomes the survey’s findings. “Covid-19 has demonstrated that Africa cannot rely on the global supply chain. The adoption and development of tomorrow’s technologies offers the continent the chance to reduce its reliance on aid and become a strategic partner to the rest of the world.”

Other factors named as growth drivers for the technology sector emphasise the notion that collaboration amongst the 54 countries making up the continent and its demographic dividend – the world’s most populous and youngest continent – could be paying off.

For 45% of respondents, Pan-Africanism, already called for in the African Union’s Agenda 2063, holds the key to making tech start-ups a success. On the other hand, 41% would prefer to upskill the current workforce, with 38% believing that the seeds of success need to be sown much earlier in the form of promoting STEM skills as part of the school and education system.

“Having pivoted towards a resolutely pan-African market positioning a few years ago ourselves, we fully recognise the potential that comes with closer collaboration between the countries of Africa. Not only does it represent an important steppingstone in our journey towards greater self-reliance, a concerted effort to support the development of these emerging technologies in Africa could transform the continent from an observer to an active player on the world stage”, Nazare continues.

Subsequently, it is easy to see how the survey results exceed the goals outlined in the 2030 Agenda for Sustainable Development, which, while calling out Nairobi’s rise to the tech hub of East Africa, focuses predominantly on the adaptation of technology, less so on the development.

Mirroring the 2030 Agenda, the survey, which was conducted amongst 80 CEOs attending Continental Reinsurance’s CEO Summit, highlighted Kenya as the African country most likely to gain from the expanding role of technology.

Coincidentally, the East African country with its burgeoning technology sector, nicknamed Silicon Savannah (or Silicon Valley of Africa), was this year’s location for the CEO Summit, which, traditionally, has been hosted by a different African country since its launch in 2014 to reflect Continental Re’s pan-African footprint.

“The insurance industry, like most other industries, is currently undergoing rapid changes where technological innovation can lead to greater customer-centricity and agility. But the inherent power of both, technology and insurance, to transform anything from business models, communities, to whole countries and regions of the world, remains valid even today when we are faced with constant disruption,” Nazare concludes.

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Note to editors:

* Continental Re surveyed leading insurance industry CEOs during its 8th annual CEO Summit held in Kenya in March 2023, and themed ‘The Accelerated Future: Opportunity, resilience and growth in Africa’s insurance sector at a time of constant disruption’.