

Business and policy insights:

# Mapping e-Marketplaces in Africa



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## About the paper

Online marketplaces are the dominant form of e-commerce for consumer goods in developed countries. They are also prominent across Africa, offering great potential to serve a new generation of consumers and open opportunities for small entrepreneurs. But little is known about these marketplaces in Africa: where they are growing, where they are struggling and why.

This paper offers insights to policymakers and entrepreneurs alike. Based on data and analysis available in ITC's 'Africa Marketplace Explorer', an online analytical tool available to all, the research is supplemented by data on Africa's e-commerce ecosystem and case studies of the largest African marketplaces.

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For more information on the African Market Explorer, see [ecomconnect.org](http://ecomconnect.org)

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## Foreword

At a time when e-commerce is booming globally, online marketplaces in Africa have suffered a decline in activity, with consumer traffic falling 5% in the last three years. Even some of the more successful African e-commerce platforms have not been immune to setbacks.

One way to increase the success of e-commerce activity in Africa is to support access to reliable information about marketplaces for the sellers, buyers, companies and policymakers across the continent.

It can be challenging to know what online markets exist in Africa and from where they operate. It's also key to have information about the reach, functionality and profitability of online marketplaces; how sellers and buyers can access them; what systems are needed for them to succeed; and how policymakers and investors can cooperate to improve the e-commerce sector.

This is why the International Trade Centre developed the Africa Marketplace Explorer, a database for businesses and policymakers to better understand the state of e-commerce in Africa. This tool can expand knowledge of e-commerce opportunities across the continent.

E-commerce is still in its early stages in most of Africa. Traffic on the continent is only 10% of that enjoyed by leading global platforms, for example. This report, based on data culled from the Africa Marketplace Explorer, identifies where improvements are needed to address weak and costly internet services, poor infrastructure, inconsistent delivery systems and limited payment solutions, given that these are the main barriers to successful e-commerce business in Africa. The analysis in the report also helps to explain in part why so few African marketplaces may be in a position to offer cross-border services.

This publication helps confirm the vast untapped potential of African e-commerce. Ideally, online marketplaces provide opportunities for small enterprises and invigorate trade across Africa. To this end, negotiations on e-commerce and digital trade under the African Continental Free Trade Agreement have been fast-tracked, as the COVID-19 pandemic and economic crisis have accelerated the need for a legal and governance framework.

We offer our research to policymakers seeking valuable information about e-commerce markets in Africa, and to entrepreneurs who want to understand where to focus their efforts in the digital economy. We actively support e-commerce in Africa and look forward to working with countries and entrepreneurs in the region to make it more inclusive and accessible.



Pamela Coke-Hamilton  
Executive Director  
International Trade Centre

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