

## Press Release

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### **South Africa and Nigeria with highest Online Shopping Potential in Africa**

**The new "Africa Internet & B2C E-Commerce Report 2012" by Hamburg-based secondary market research firm yStats.com takes a close look at Internet use and B2C E-Commerce development on the African continent. In addition to presenting data on Internet and B2C E-Commerce for the entire continent, facts and figures about 15 individual countries of the African continent are compiled.**

With more than 40 million users, Nigeria was the African nation with the highest number of Internet users in December 2011, followed by Egypt and Morocco. Meanwhile, Internet penetration was the highest in Morocco with almost 50%. South Africa on the other hand, was the country with the most successful B2C E-Commerce platforms. In 2011, various factors still curbed online retail on the entire continent, such as the low Internet penetration and the focus on cash transactions and personal relationships. Recently, however, mobile payment methods have become increasingly popular, promoting B2C E-Commerce growth in 2012.

#### **Growing B2C E-Commerce revenue in the most important African markets**

In South Africa, the share of online shoppers on the total number of Internet users has continued to grow slowly between 2009 and 2011. In 2011, a clear majority cited lower prices as a decisive factor for making purchases online. Kenya was the fastest growing Internet market in Africa in 2011, due to low mobile phone charges and increasing broadband capacity. The number of Internet users and their share on the entire population continuously grew between 2010 and 2011 by a low double digit percentage figure. At the same time, the number of Internet connections and B2C E-Commerce revenue in Morocco grew between 2010 and 2011 by almost three quarters. Due to improved Internet access and a growing number of online shops, the number of credit cards also increased in 2011. Furthermore, according to forecasts at least one third of the population in Nigeria is expected to have direct Internet access by 2013. Although large online retailers such as Amazon, eBay and South African online shop Kalahari sell their products there, there are still limitations when it comes to shipping and payment options.

#### **Great potential in other African markets**

In February 2012, almost one quarter of all Internet users in Egypt shopped online or used the Internet to pay their bills. Meanwhile, Algeria with its lower Internet user rate saw only little online retail in early 2012, because cash transactions were still predominant there, while other payment options were hardly available. The increasing number of Internet users in Uganda is expected to spur the use of services such as online shopping and online banking in 2012. In Ghana, B2C E-Commerce was curbed by the low Internet penetration rate and a lack of suitable shipping and payment options. According to the "Africa Internet & B2C E-Commerce Report 2012" by yStats.com, in 2011, especially in Libya people were afraid of B2C E-Commerce related scams. Meanwhile, more than half of all Internet users in Namibia accessed the Internet via mobile phone, much like in Tanzania. Conclusively, it can be stated Africa is making slow but steady progress in terms of Internet usage and B2C E-Commerce.

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