ACSPR
African Centre for Social and Population Research

Shaping Africa's Future with Evidence, Equity, and Innovative Impact

Artificial Intelligence in Africa

Global Context: AI Around the World

Artificial intelligence is reshaping economies and societies globally, with significant regional variations in adoption, investment, and regulatory approaches.

North America

- **Market Leader:** USA accounts for **40%+** of global AI investment[1]
- **Major Players:** OpenAI, Google, Microsoft, Anthropic leading foundation models
- **Regulation:** Sectoral approach with emerging federal frameworks

Asia

- **China:** Aggressive national strategy targeting global leadership by 2030
- **India:** Rapid adoption in services, **61%** of companies using AI[2]
- **Singapore:** Regional hub with strong government support

Europe

- **EU AI Act:** World's first comprehensive AI regulation (risk-based approach)
- **Investment:** **€20B+** annual public-private AI investment
- **Focus Areas:** Manufacturing, healthcare, automotive

Global South

- **Adoption Gap:** AI adoption in Global North grows twice as fast
- **Infrastructure:** Less than **5%** of global data centre capacity
- **Opportunity:** Leapfrog potential in agriculture, healthcare, financial inclusion

Global AI Market Snapshot (2026)

Global AI Market Value:	$1.2 trillion
Projected CAGR (2025-2030):	37.3%
Countries with AI Strategies:	60+
Global GPU Demand:	20M+ hours unmet

Continental Overview: Africa

Africa's digital transformation is accelerating, with AI presenting both unprecedented opportunities and challenges.

- **Economic Potential:** The continent could unlock **$1.2-1.5 trillion** by 2030 through strategic AI investment in sustainable infrastructure.[3]

[1] Stanford AI Index Report, 2025
[2] NASSCOM AI Adoption Survey, 2025
[3] World Economic Forum. (2025, December 2). *Africa's AI moment: How coordinated investment in 'green' computing can unlock $1.5 trillion.*

- **Digital Divide:** AI adoption in the Global North currently grows twice as fast as in the Global South. While one in six people globally use generative AI, Africa's share remains below average.
- **The Compute Paradox:** Africa hosts 18% of the world's population but accounts for less than 1% of global data centre capacity. An estimated **7 million GPU hours** of demand go unmet, with only **5% of innovators** accessing advanced computing.
- **Continental Strategy:** The African Union has developed a comprehensive AI strategy to guide governance and regional cooperation.[4]

Regional Spotlight: East Africa

East Africa is emerging as a potential leader in AI adoption, bolstered by projected regional growth of **5.7% in 2025-26**.

Adoption & Infrastructure

- **Regional Hub:** Kenya leads with **8.1% AI use share** (H2 2025)[5]
- **Major Investment:** Microsoft & G42's $1B digital ecosystem initiative
- **Open-Source Advantage:** High usage of free tools lowers barriers

Key Use Cases

- **Kenya:** Personalized education, cancer detection
- **Tanzania:** Multidisciplinary AI lab for healthcare
- **Rwanda:** Healthcare supply chain management

In-Depth Focus: Uganda

Uganda's AI ecosystem is nascent but rapidly evolving, driven by private sector advocacy and emerging governmental frameworks.

Adoption Trends

- **Usage Rate:** **6.8%** global AI use share (late 2025)
- **Private Sector:** Growing imperative for business adoption[6]
- **Applications:** Makerere AI Lab, fintech fraud management, wildlife conservation

Key Applications

- Research at Makerere AI Lab
- Fintech fraud management
- Music production
- Wildlife conservation
- Law enforcement surveillance

Legislative and Policy Landscape

Current Legal Framework:

Data Protection and Privacy Act, Cap 97 — Computer Misuse Act, Cap 96 — Electronic Transactions Act, Cap 99[a]

[a] DNS Africa Resource Center, 2024

- **National AI Taskforce:** Established to develop a comprehensive national AI strategy

[4] DNS Africa Resource Center. (2024, December 30). *East Africa's AI Revolution...*
[5] Citizen Digital. (2026, January 14). *Kenya leads AI use in East Africa...*
[6] AllAfrica. (2025, December 10). *Ugandan Businesses Must Embrace AI Now...*

- **Identified Gaps:** Current framework lacks provisions for automated decision-making, algorithmic transparency, and explanation rights.[7]
- **Taxation Challenges:** Digital taxes (VAT, Digital Services Taxes) cited as potential barriers to inclusion.

Barriers to Adoption

Despite momentum, systemic barriers persist:

Barrier	Description
Infrastructure	Limited AI-optimized hardware and high-speed networks
Skills Gap	Limited local talent in AI engineering and data science
Regulatory	Outdated frameworks lacking AI-specific provisions
Cost	High GPU prices and digital taxes impede innovation

[7] Katuuma, L. E. (2025). *Data protection in the age of AI...* Makerere University.