



Artificial Intelligence as a Lever for Economic Transformation and Sovereignty in Africa

How Can African Governments and Businesses Succeed in the AI Era?

July 2026

AI as a Lever for Economic Transformation and Sovereignty in Africa

The real challenge is not AI adoption, but value capture

For many years, Africa's digital agenda has focused primarily on access — access to the internet, digital infrastructure, digital services and digital skills.

The emergence of artificial intelligence is gradually shifting this debate. The central question is no longer access to technology, but the ability of governments and businesses to capture the value created by AI.

Global spending on artificial intelligence now amounts to hundreds of billions of dollars, while nearly 40% of jobs worldwide could be affected by the transformations driven by this technology.

For African economies, the stakes extend far beyond digital transformation.

AI has the potential to become a powerful driver of productivity growth, industrialization and public-sector transformation. Yet it could also reinforce existing dependencies if critical infrastructure, data, platforms and strategic capabilities remain largely controlled outside the continent.

Against this backdrop, a strategic question is emerging:



How can African governments, institutions and business champions leverage AI as a driver of economic transformation and sovereignty?

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Our Economies Must Avoid the Trap of Adoption Without Value Creation

The greatest risk facing African economies is probably not failing to adopt AI. The real risk is the widespread adoption of AI without sustainably capturing the value it creates.

This challenge is already emerging across several strategic sectors, including financial services, agriculture, energy, healthcare, public administration, telecommunications and extractive industries.

In each of these sectors, AI has the potential to generate significant productivity gains and accelerate economic transformation. However, where the resulting value is ultimately captured will depend on several factors, including data availability, digital infrastructure, access to energy, skills, intellectual property, governance frameworks and innovation capabilities.

At the same time, African countries remain marginal players in the critical infrastructure underpinning the global digital economy. The continent accounts for less than 1% of global hyperscale data center capacity, even as demand for data storage, connectivity and computing power continues to grow rapidly. In the AI global value chain (semiconductors, infrastructures, data, applications, etc.), most of our economies are consumers and not producers.

This raises several fundamental questions:

- How can African countries develop the infrastructure required for the AI economy?
- How can they avoid excessive dependence on foreign platforms and models?
- How can African businesses prepare for the emergence of AI agents?
- How can they ensure that a meaningful share of the value created by AI is captured locally?

Ultimately, the debate on AI is increasingly becoming a debate about economic competitiveness, industrial policy and sovereignty.

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Beyond Adoption, It Is Adaptation That Drives Value Creation

Two critical dimensions must be assessed to evaluate the value that our governments can derive from artificial intelligence. The A&A AI Value Creation Index is built around these two dimensions.

1. The Level of Adoption

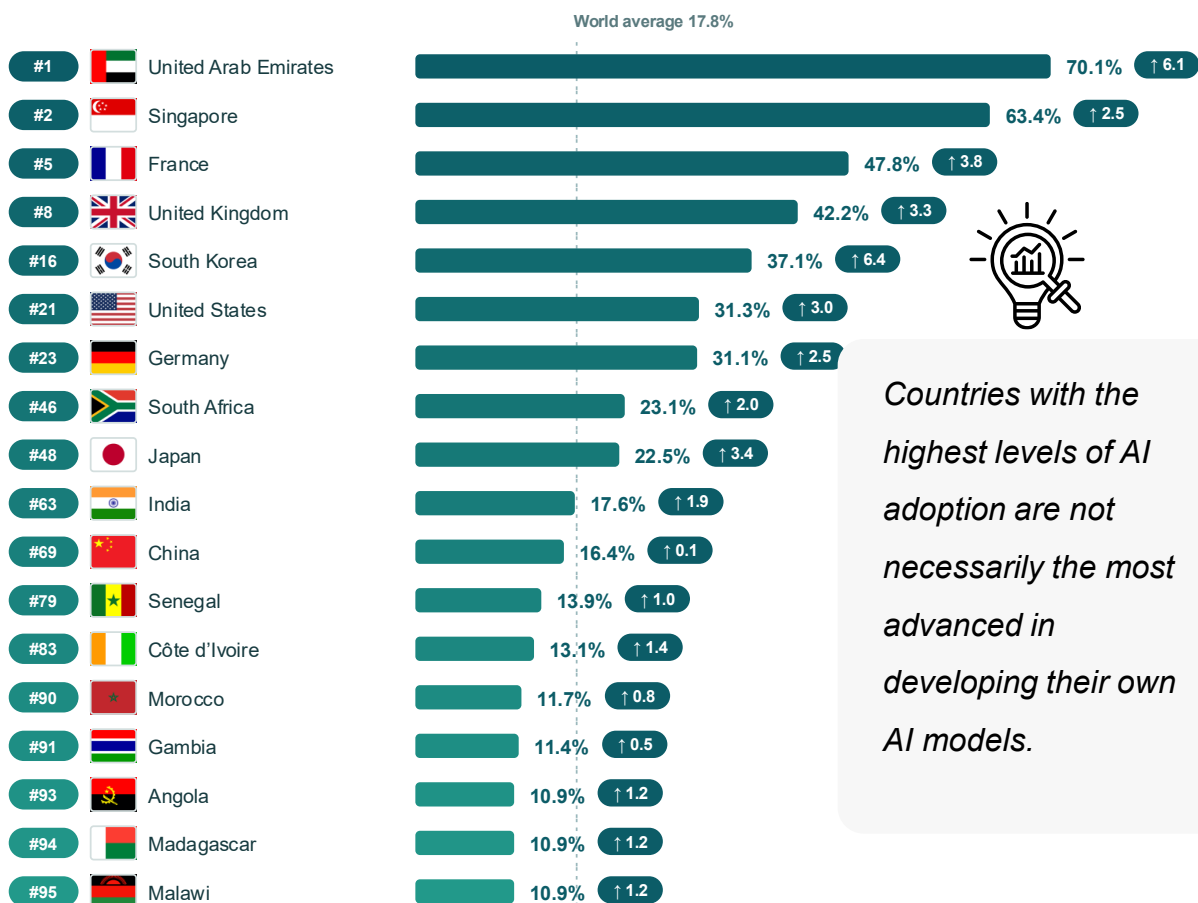
The first dimension is the level of AI adoption across countries, which can be measured through AI penetration and usage rates within the economy.

Microsoft's Global AI Diffusion Index provides a useful benchmark for tracking AI adoption across the workforce in more than 140 countries.

Countries with the highest levels of AI adoption are not necessarily the most advanced in developing their own AI models and capabilities.

AI diffusion by country, Q1 2026

Selected countries ranked by AI diffusion rate. Global rank retained across 147 economies (ranks are not consecutive).
 Dashed line: world average (17.8%). Badge: change in percentage points vs H2 2025.



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2. The Level of Adaptation

The second dimension, which is equally critical from a sovereignty perspective, is the level of Adaptation. This refers to:

- (i) the ability to develop AI models and agents that reflect local socio-economic, cultural and regulatory realities; and
- (ii) the ability to develop the underlying infrastructure required to meet the growing domestic demand for AI solutions.

Several factors are considered in assessing countries along this dimension:



Number of locally developed AI models



Local data hosting and processing capabilities (data centers)



Human capital dedicated to AI development



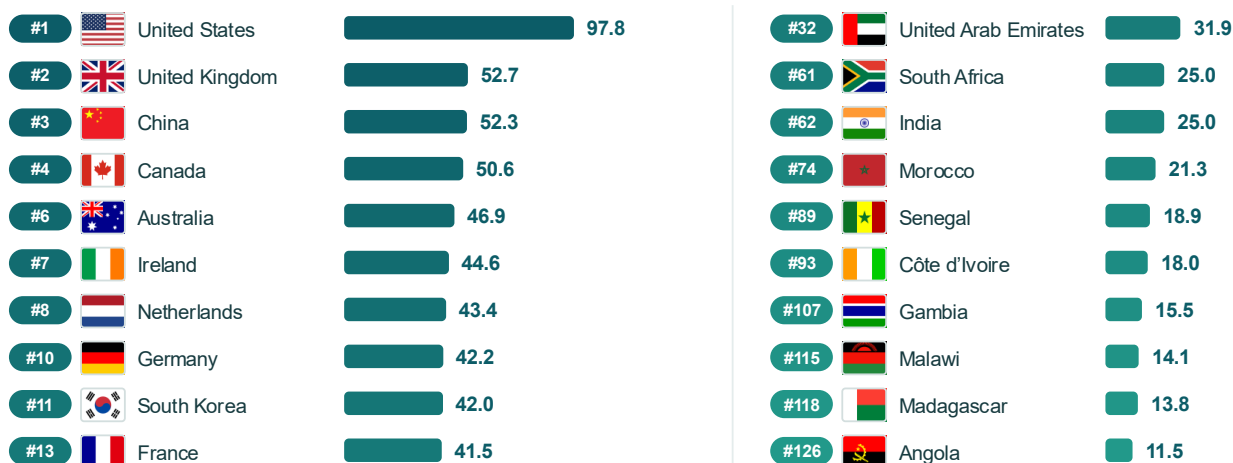
Governance and regulatory frameworks for AI



Integration of local languages, enabling African countries to capture greater value from AI

AI Composite Index by Country

Weighted composite index based on five sub-indices derived from different indexes (IMF AI Preparedness Index, EPOCH, EQUATE, etc.) and adapted to incorporate a local-language dimension: AI models (50%), digital infrastructure (20%), human capital (10%), regulation (10%), and local languages (10%). Countries selected from the AI diffusion ranking. Badge: global ranking (138 countries). Value: index × 100.



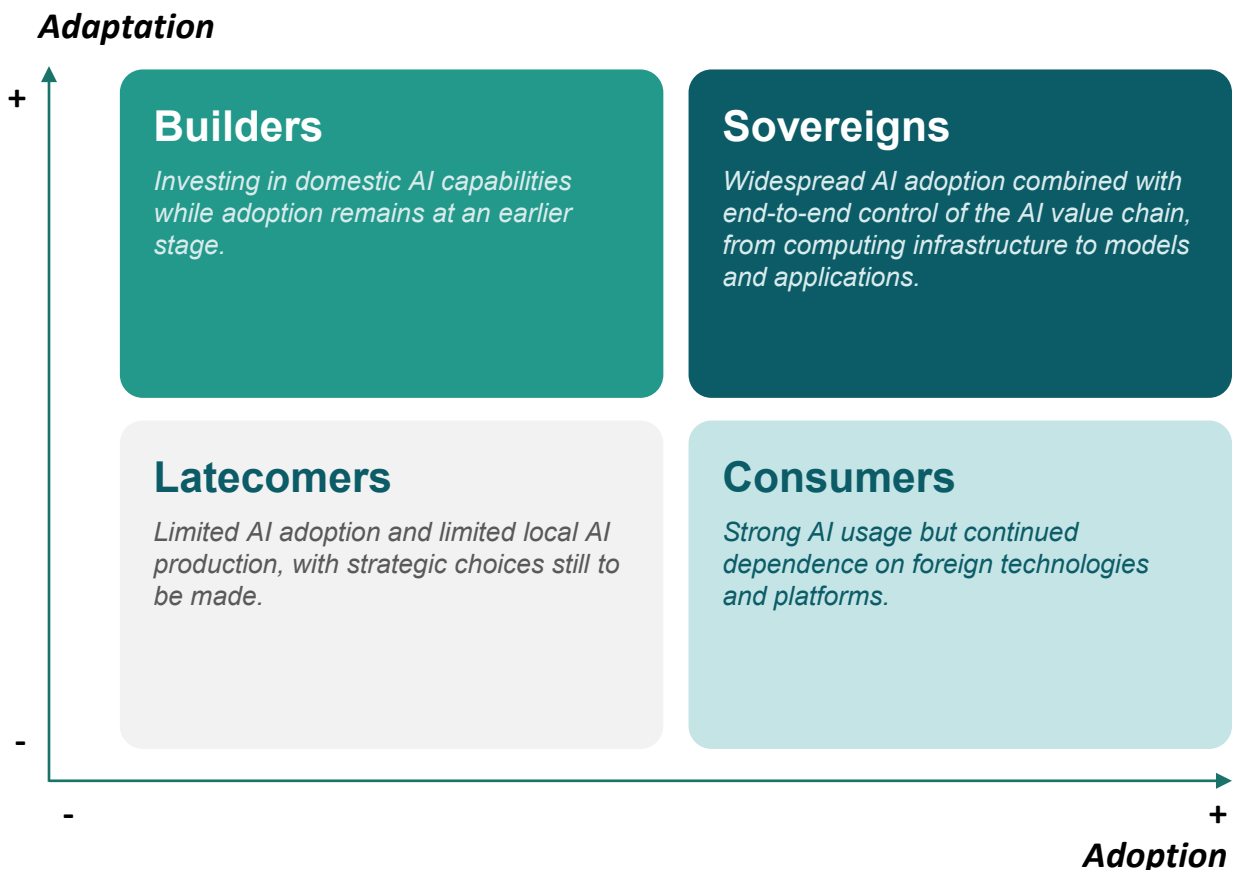
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The AxA Adoption–Adaptation Matrix

Based on their respective levels of Adoption and Adaptation, countries can be grouped into four distinct archetypes:

- 1. Sovereigns:** Countries that combine both high AI adoption and strong adaptation capabilities through the development of proprietary models, robust digital infrastructure, skilled talent pools, enabling regulatory frameworks, access to training data and advanced computing capabilities.
- 2. Builders:** Countries that are steadily developing domestic AI capabilities but have not yet achieved widespread adoption across their economies.
- 3. Consumers:** Countries that exhibit strong AI adoption but remain dependent on foreign technologies, models and platforms for most of their AI capabilities.
- 4. Latecomers:** Countries that lag both in AI adoption and in the development of local AI capabilities. Most African countries currently fall within this category.

AxA Adoption–Adaptation Matrix



AI as a Lever for Economic Transformation and Sovereignty in Africa

A Series of Reflections on the Economic Implications of AI for African Economies

For governments, institutions and national and regional business champions, four questions are becoming increasingly critical:

1. AI as a Lever for Economic Sovereignty in Africa

How can AI be used to strengthen the competitiveness, productivity and strategic autonomy of African economies?

2. Are African Champions Ready for the Age of AI Agents?

How should African businesses prepare for a profound transformation of work models, operating structures and value chains?

3. Will AI redefine Local Content in Africa?

Do traditional local content frameworks remain relevant in an economy increasingly driven by data, software and digital capabilities?

4. AI in African Businesses: From Hype to Value Creation

How can organizations move beyond experimentation and turn AI into a genuine driver of economic performance?

These four questions will serve as the common thread running through this publication series, which explores the economic, industrial and strategic implications of artificial intelligence for African economies.

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