

South Africa's Digital Economy

Resilience, Scale, and the Next Frontier

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Infrastructure

\$3.8B

South Africa's projected annual GDP increase by 2035

660K

Additional South Africans online by 2035

81%

online South Africans who say it is much easier to access reliable internet compared to a decade ago

Platforms

\$1B

In direct business activity (2025)

910K

South African SMEs use Meta's apps as digital storefronts, reducing capital barriers and reaching customers across borders

\$1.3B

Productivity gains for businesses

64%

Online businesses that strongly agree that Meta platforms expanded customer base

81%

Users of Meta platforms who feel more connected to a wider community through Meta's platforms

Open-Source AI

\$32B

GDP contribution from increasing AI adoption

LLaMA, NLLB, and PyTorch lower licensing and infrastructure costs, enabling South African developers to build locally relevant AI.

73%

Adults who say AI developed in Sub-Saharan Africa will be important for economic growth

69%

Business leaders who would definitely use open-source AI tools if they were available and accessible

South Africa is home to Sub-Saharan Africa's largest digital economy—and the African headquarters for many of the world's leading companies. A \$30 billion digital sector, built on decades of investment in financial services, telecommunications, and enterprise technology, positions South Africa as a gateway to Southern African markets and a foundation for regional growth.

In 2025, Meta's platforms generated \$1 billion in economic activity for businesses across South Africa, underscoring the depth of digital adoption. Over the next decade, we estimate South Africa's digital economy could grow from **\$30 billion** today to **\$53 billion by 2035**.

Realising this opportunity will depend on continued progress across three foundational areas: high-performance digital infrastructure, platforms that enable participation at scale, and open-source AI technologies that support innovation and skills development. South Africa's digital advantages must be shared more broadly—beyond major cities and established enterprises to townships, rural areas, and the informal economy where the next wave of opportunity lies.

Meta's activities across these foundations are helping reduce barriers and expand opportunity, contributing to a more resilient, competitive, and inclusive digital economy.



01 | Infrastructure Building Resilience and Reach

South Africa's digital infrastructure carries some of the highest data demand on the continent, reflecting widespread device usage, data-intensive services, and a mature consumer and enterprise market. **81% of online adults in South Africa say that accessing reliable internet is now significantly easier than it was a decade ago**—evidence of substantial progress in connectivity.

Yet demand continues to outpace supply. Extending reliable, affordable access—particularly beyond major cities and during periods of grid pressure—remains essential for the next phase of growth. Meta is helping to address these challenges. The 2Africa submarine cable, backed by substantial Meta investment, has landed in Cape Town and will accelerate digital growth in South Africa. By 2035, we estimate it could increase South Africa's GDP by **\$3.8 billion annually** and bring **660,000** additional people online.

As infrastructure capacity grows and reliability improves, the next question is whether businesses—from headquarters in Johannesburg to spaza shops in townships—can convert that connectivity into growth.

02 | Platforms Powering Participation Across South Africa's Economy

South Africa's economy spans large corporations alongside a vibrant SME sector and a substantial informal economy. Platforms play a critical role in bridging these divides by giving businesses of all sizes access to customers, markets, and communication tools that would otherwise be out of reach.

For entrepreneurs, creators, and informal traders, Meta's platforms offer low-cost ways to build visibility, manage customer relationships, and operate beyond their immediate geography. In 2025, we estimate **910,000 South African SMEs** used Meta's platforms to start and grow their businesses, contributing **\$2.9 billion** to GDP. From spaza shops in Soweto to design studios in Cape Town, these are not passive users—they are business owners who have made Meta's platforms essential infrastructure for survival and growth.

Efficiency gains are a key part of this impact. We estimate that businesses communicating via Meta platforms realise **\$1.3 billion** in productivity gains, reflecting faster coordination and lower transaction costs. **64% of the businesses in our online poll strongly agree that Facebook, Instagram, and WhatsApp have expanded their customer base beyond local geography, while 87% of the businesses in our poll say the platforms have helped generate greater revenue.**

Platforms Enabling Township Commerce

Across South Africa's townships, informal traders are using WhatsApp Business to manage orders, coordinate with suppliers, and reach customers beyond their immediate streets. A furniture maker in Alexandra now showcases products to buyers across Gauteng, while a catering business in Khayelitsha takes bookings from corporate clients in Cape Town's CBD. These are not exceptions—they represent a pattern of platform-enabled formalisation, where digital tools help informal businesses operate with the efficiency of formal ones.

Beyond commercial outcomes, platforms also play an important social role. **81% of users of Meta platforms say that Meta's platforms have helped them feel a part of their community, and 89% of users of Meta platforms say they have made them feel closer to family and friends.** In a country of significant distances and diverse communities, digital platforms help maintain social and economic ties across geography.

03 | Open-Source AI Expanding Access to Advanced Capability

As South Africa looks to move up the digital value chain, access to advanced technologies will shape future competitiveness and job creation. Interest in AI and emerging technologies is growing across startups, enterprises, universities, and research institutions, but high costs and skills gaps continue to limit participation.

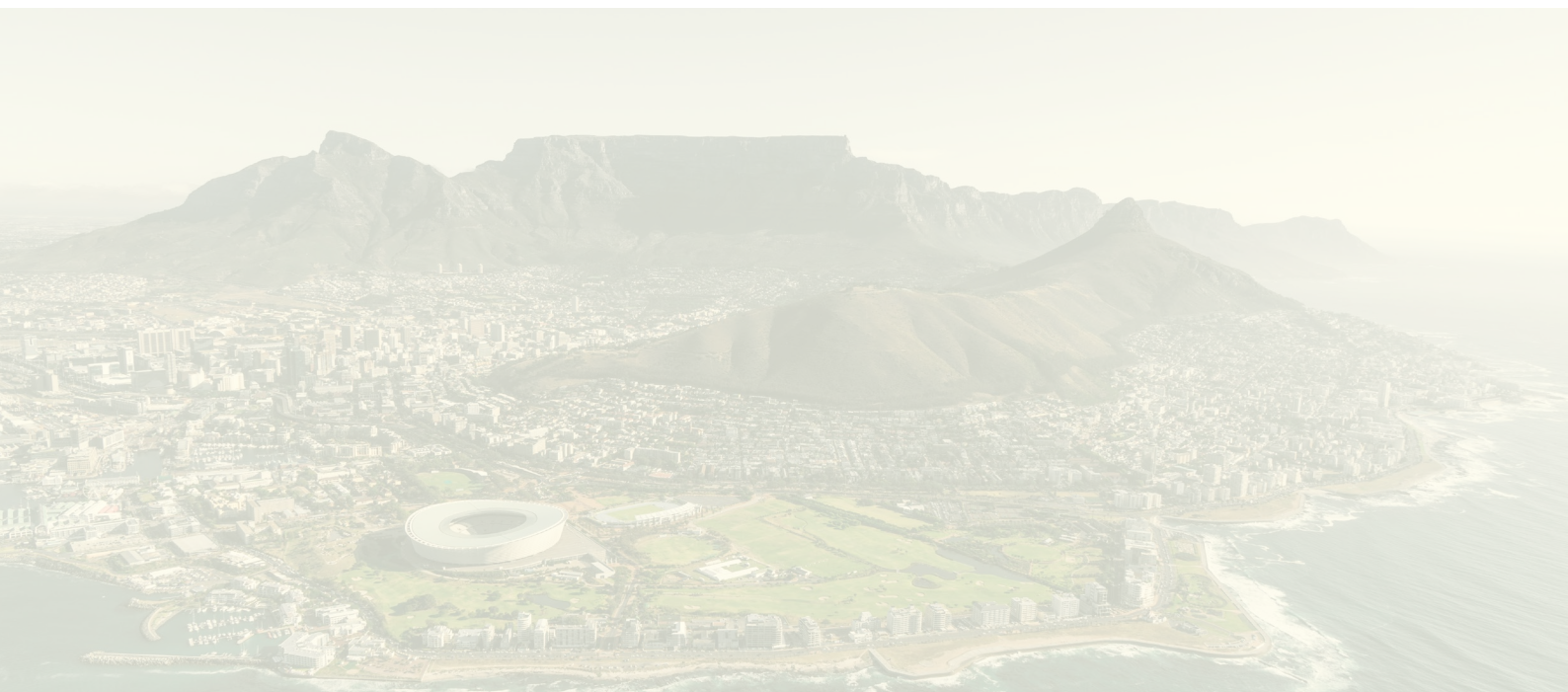
Meta's open-source AI models and developer tools—including LLaMA, PyTorch, React Native, and No Language Left Behind—are helping South Africans experiment, innovate and build solutions for local industries, languages and communities without prohibitive licensing costs. **73% of online South Africans believe that AI developed within Sub-Saharan Africa will be important for the continent's economic growth, and 69% of online business leaders say they would definitely use open-source AI tools if they were available and accessible.**

South African AI Innovation in Action

Foondamate, a South African company built on Meta's LLaMA AI models, has created an AI study assistant that students access directly on WhatsApp and Messenger. The system helps learners with maths problems, provides explanations, assists with research, and supports essay development. With over 3 million students supported, Foondamate represents South African innovation solving South African educational challenges—made possible because advanced AI technology was freely available.

South Africa's well-established university system and research institutions position the country to contribute to AI development on the continent. For example, the University of Johannesburg and Tshwane University of Technology recently launched the TUT Hub of the Artificial Intelligence Institute of South Africa (AIISA). Open-source access enables these institutions to train the next generation of developers on production-grade tools without licensing constraints.

By enabling solutions that reflect local languages, industries, and institutional needs, open-source AI supports innovation across financial services, healthcare, education, energy, and the creative economy. By 2035, we estimate increased AI adoption could add **\$32 billion** to South Africa's GDP. This represents more than economic growth—it is an opportunity to shape how AI develops across the region.



04 | Conclusion South Africa's Digital Leadership

South Africa enters this next phase from a position of scale—with established infrastructure, a mature financial sector, and growing technical capacity. The opportunity now is to extend these advantages more broadly: ensuring that digital growth reaches beyond major metros, that access becomes more affordable, and that infrastructure continues to strengthen alongside demand.

Meta's contributions across these areas are helping reduce barriers and create new opportunities for businesses, entrepreneurs, and communities. By continuing to build on these foundations, South Africa can sustain digital-driven growth, create new jobs, and ensure the benefits of digital transformation are widely shared across the country.

As Sub-Saharan Africa's largest digital economy, South Africa's trajectory matters beyond its borders. The opportunity is to demonstrate that digital growth and broad-based access can advance together.

[Meta SSA EIR 2025 - Full Methodology Note](#)