HOW AFRICA COULD BE NEXT DATA CENTER LOCATION WITH THE EMERGENCE OF AI

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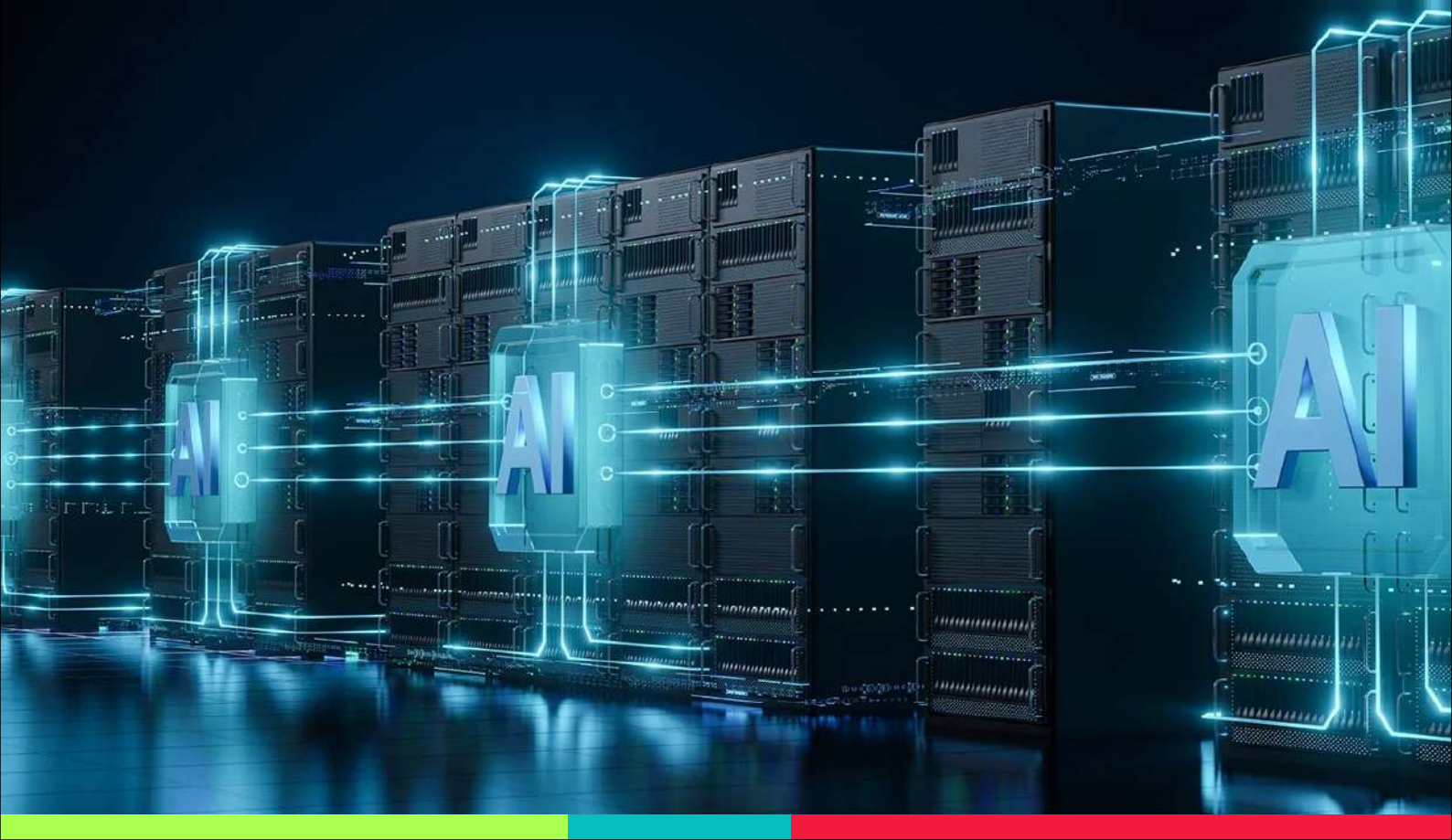

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For years, many people thought only certain places throughout the world had advanced global data infrastructure.
The normal suspects would always come to mind:

NORTHERN VIRGINIA IN THE UNITED STATES

DUBLIN IN IRELAND

SINGAPORE IN SOUTHEAST ASIA

It felt as if these particular digital ecosystems
dominated the landscape and would remain the same. However, a curiosity related to artificial intelligence (AI) and the changing global demand for computing power has begun to expand.

Traditionally, when companies have built data centers, they built them close to established internet hubs.
The rapid growth in AI workloads has begun to push the limits of previously established locations for data centers.

FOR INSTANCE, IN NORTHERN VIRGINIA OR FRANKFURT, the availability of power has become an obstacle for expanding existing markets.

The cost of land is becoming an issue, and local electrical grids are already under pressure. Some municipalities in places such as Northern Virginia have even started to push back against the construction of any additional data centers in their jurisdictions.

This raises a very pragmatic question for many in the data center market to consider: Where else will large-scale infrastructure be able to expand?

Underneath these considerations, there is increasing evidence that very well could point to parts of Africa as being a viable option for future expansion that was never previously considered before.

Although many people believe that Africa is starting from scratch regarding global digital infrastructure, that assumption fails to take into consideration that many African nations are strong regional digital gateways.

For instance, Nigeria is a preeminent gateway for internet traffic in West Africa because it has more than 30% of the population of Africa's total population, and Lagos alone is home to major submarine cable landing stations.

Somewhere in East Africa, Kenya has developed itself into a regional technology hub, with strong interconnectedness to all other regions throughout the continent. South Africa has evolved into one of the most sophisticated markets on the continent regarding its digital infrastructure.

Further, during the last ten years, undersea cable investment has experienced an explosive increase. New systems such as the Equiano submarine cable and the 2Africa submarine cable systems are currently being deployed to expand the total bandwidth available for African nations and create a connection to other markets outside of Africa, namely Europe and Asia.

Once these systems are fully deployed, bandwidth, which has been a choke point for many companies investing in African nations, will no longer be an impediment to further investment. In selected regions, the availability of power can become a greatly advantageous attribute for the region.

Although there is still much improvement to be made regarding energy reliability in African countries, these nations also have many renewable energy capabilities. Some countries with significant solar, hydro, and geothermal resources should be able to provide low-carbon, large-scale data infrastructure.

While infrastructure is critical for the development of data centers, the economic opportunities facilitated by data centers in Africa are even greater.

Because significant data center investments stimulate the establishment of regional digital ecosystems, their positive economic impact is felt throughout all sectors of the economy.

By establishing regional zones, cloud providers provide a building block for further innovation and growth in the startup economy through the use of lower latency computing.

When Dublin developed data centers two decades ago, it commenced the transformation of that city into an important European technology location. Similar examples can be achieved in cities in Africa if investment occurs in conjunction with governmental policy and human capital development programs.

Nevertheless, optimism must be tempered with a sense of reality.

REGULATORY CLARITY

ENERGY RELIABILITY

POLITICAL STABILITY

will continue to play major factors affecting the potential for additional large-scale infrastructure investments by hyperscale companies. These three factors still need to improve considerably before African markets can begin to develop or expand.

There are a number of factors that are converging to cause this rapid change of momentum for all companies evaluating opportunities for expanding their businesses during the next decade by investing in large-scale data center projects.

The most significant issue driving this momentum is the explosive growth of AI, combined with the near saturation of the global infrastructure market. In addition, the rapid growth of Africa's digital economy due to significant cellular penetration, financial technology (fintech) innovation, and a very young developer population are all contributing.

If you want to identify a market that historically has been avoided by large companies for infrastructure investment, it does not make any sense for large global technology companies to exclude Africa from their consideration regarding future infrastructure investments.

Perhaps the better question isn't whether Africa will become a significant market for data center investment but rather which countries will be the first to create the conditions for these investments to occur in Africa.

Once any one nation/items/pathway begins to generate momentum for data center investments in Africa, the laws of digital gravity will begin to cause further investments to occur in Africa.

About the Author

Dr. Fumbi Chima is a global technology executive who has led digital and operational transformation initiatives at industry-leading brands including adidas, Burberry, Walmart, Boeing Credit Union, and Fox Networks. Her experience spans P&L ownership, M&A, operations, and enterprise technology leadership across retail, CPG, digital, and financial services.

She is widely recognized as an AI thought leader with a strong reputation for aligning innovation with business goals to deliver sustainable value and competitive advantage. At adidas AG, she spearheaded large-scaleinfrastructure and process transformations, achieving cost savings, accelerating speed to market, and enabling cross-market scalability.

Known for bridging the gap between technology and business, she fosters high-performance cultures rooted in innovation, accountability, and transparency. Her leadership has consistently increased employee engagement and organizational impact.

Throughout her career, she has championed innovative solutions in data strategy, digital marketing, and cybersecurity, always with a relentless focus on driving growth and enhancing customer experience.

Fumbi Chima

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