



Mobile services in Sub-Saharan Africa: trends and forecasts 2019–2024



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About this report

This report provides commentary and trend analysis to support our 5-year forecast for Sub-Saharan Africa (SSA). It includes worldwide context and commentary on six key countries: Ghana, Kenya, Nigeria, South Africa, Tanzania and Uganda.

Our forecasts are based on our robust set of historical data and draw on a unique and in-house modelling tool that applies a rigorous methodology (reconciliation of different sources, standard definitions, top-down and bottom-up modelling).

For the complete data set for the region, please see Analysys Mason’s DataHub at www.analysysmason.com/DataHub.

WHO SHOULD READ THIS REPORT

- Market intelligence, strategy and project managers at mobile operators in Sub-Saharan Africa.
- Regulatory bodies in Sub-Saharan Africa.
- Financial institutions that directly invest in the telecoms sector in the region, or advise others that do so.
- Press and media bodies that need a foundation of knowledge of the mobile telecoms market in Sub-Saharan Africa.

Our forecasts are refined throughout the year. This report presents the results at the time of publication and will continue to give useful background information about key drivers. However, we recommend that you always use the Analysys Mason [DataHub](http://www.analysysmason.com/DataHub) to view the latest data associated with this report.

GEOGRAPHICAL COVERAGE	KEY METRICS
Regions modelled ▪ Sub-Saharan Africa (SSA) Countries modelled individually ▪ Cameroon ▪ Côte d'Ivoire ▪ Ghana ▪ Kenya ▪ Nigeria ▪ Rwanda ▪ South Africa ▪ Sudan ▪ Tanzania ▪ Uganda ▪ Zambia	ARPU ▪ SIMs, handset ▪ Prepaid, contract ▪ Handset voice, data Connections ▪ Handset, mobile broadband,¹ IoT² ▪ Prepaid, contract ▪ 2G, 3G, 4G, 5G ▪ Smartphone, non-smartphone Revenue ▪ Service,³ retail ▪ Prepaid, contract ▪ Handset, mobile broadband,¹ IoT² ▪ Handset voice, messaging, data Mobile voice traffic ▪ Outgoing minutes, MoU

¹ Includes USB modem, and mid- and large-screen, but not handset-based data.
² IoT connections and revenue figures include mobile services only.
³ Service revenue is the sum of retail and wholesale revenue.

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11. The prepaid share of mobile connections will remain above 95%; this will play a role in keeping the ARPU low
12. Mobile penetration will increase across the region as increasing network coverage is balanced by the decreasing need for multiple SIMs
13. Consumer spending on data services and the migration to 3G/4G services will ensure a slower ARPU decline in some countries and increase ARPU in others
14. SSA will remain a developing region in terms of mobile technology take-up because 3G will become the dominant form of mobile access

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16. Ghana: the growing demand for data will provide potential for moderate growth in the number of mobile connections
17. Kenya: mobile market revenue will grow due to the increased network coverage and smartphone affordability
18. Nigeria: mobile data revenue will form a growing share of the total revenue despite the crowded market and difficult economic conditions

19. South Africa: there will be sustained growth in the mobile market thanks to a strengthening economy and improved network coverage

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Worldwide: mobile service revenue will increase during the forecast period, but there will be significant differences between regions

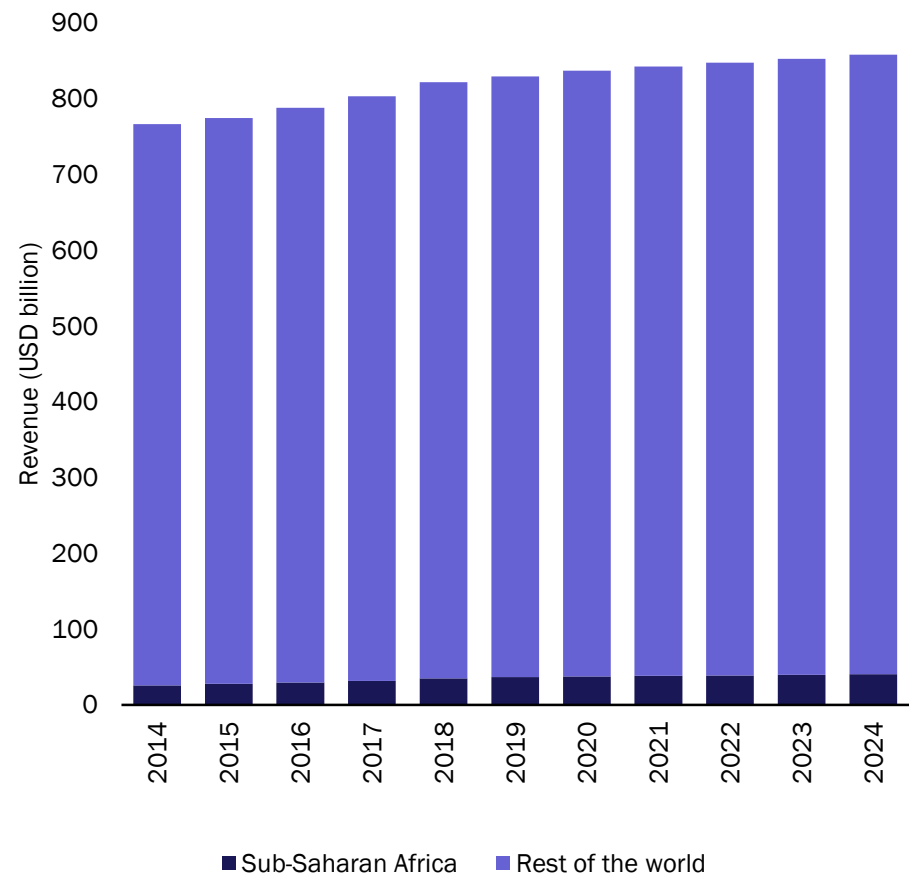
Worldwide mobile service revenue will increase at a CAGR of 0.7% between 2018 and 2024.

Mobile service revenue will increase during the forecast period in all regions except developed Asia–Pacific (DVAP). Mobile revenue growth will be fastest in SSA, Central and Eastern Europe (CEE) and the Middle East and North Africa (MENA). SSA is the only region that still has significant potential for growth in its mobile user base. Revenue in North America (NA) will continue to be flat at around USD195 billion, mainly because of growing competition in the US mobile market. Revenue in Western Europe (WE) will increase at a rate of 0.2% per year, because the market is highly competitive. Mobile discounts in fixed–mobile converged tariffs will also put more pressure on mobile markets.

SSA will account for 4.7% of the total worldwide mobile service revenue in 2024.

Mobile retail revenue in SSA will increase from USD35.0 billion to USD40.3 billion between 2018 and 2024. Voice and mobile data revenue will account for the bulk of the total retail revenue. Voice traffic will increase due to the growing demand in rural areas and the service will become increasingly cheap for consumers. Mobile termination rate cuts and pressure from OTT voice services and challenger MVNOs will contribute to the introduction of lower-priced offers. ARPU will decrease as services become more prevalent in rural areas, where consumers opt for cheaper services.

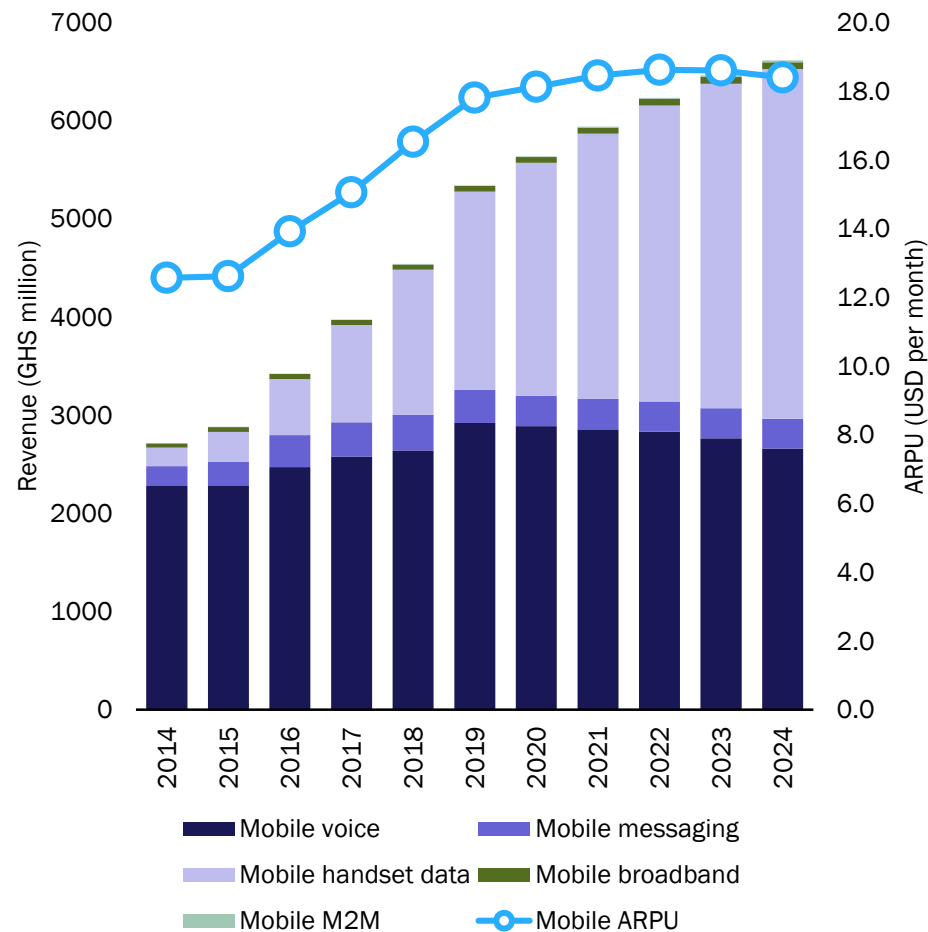
Figure 2: Mobile service revenue by location, Sub-Saharan Africa and worldwide, 2014–2024



Source: Analysys Mason

The fast adoption of mobile data services will help telecoms operators to maintain service revenue growth

Figure 3: Telecoms retail revenue by mobile service type, and mobile ARPU, Sub-Saharan Africa, 2014–2024

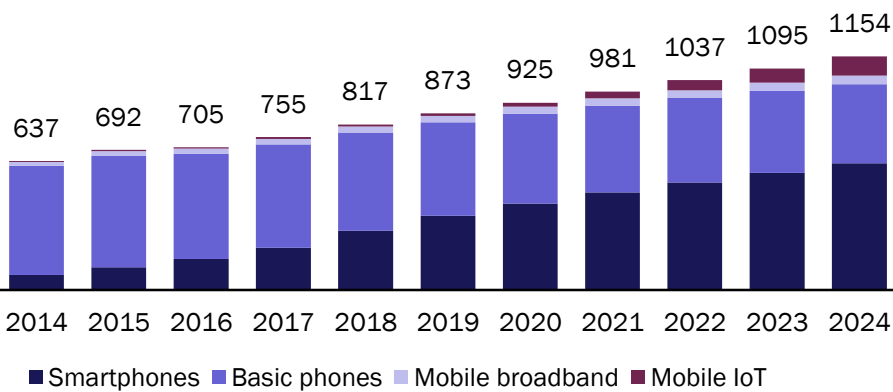


Source: Analysys Mason

Figure 4: Telecoms retail revenue and growth rate by service type, Sub-Saharan Africa, 2014–2024

Service type	Retail revenue (USD billion)		CAGR	
	2018	2024	2014–2018	2018–2024
Mobile handset	30.8	36.4	8.8%	2.8%
Mobile broadband	1.52	1.81	10.4%	2.9%
Mobile IoT	0.13	0.35	18.3%	18.2%

Figure 5: Mobile connections by type, Sub-Saharan Africa (million), 2014–2024



Source: Analysys Mason



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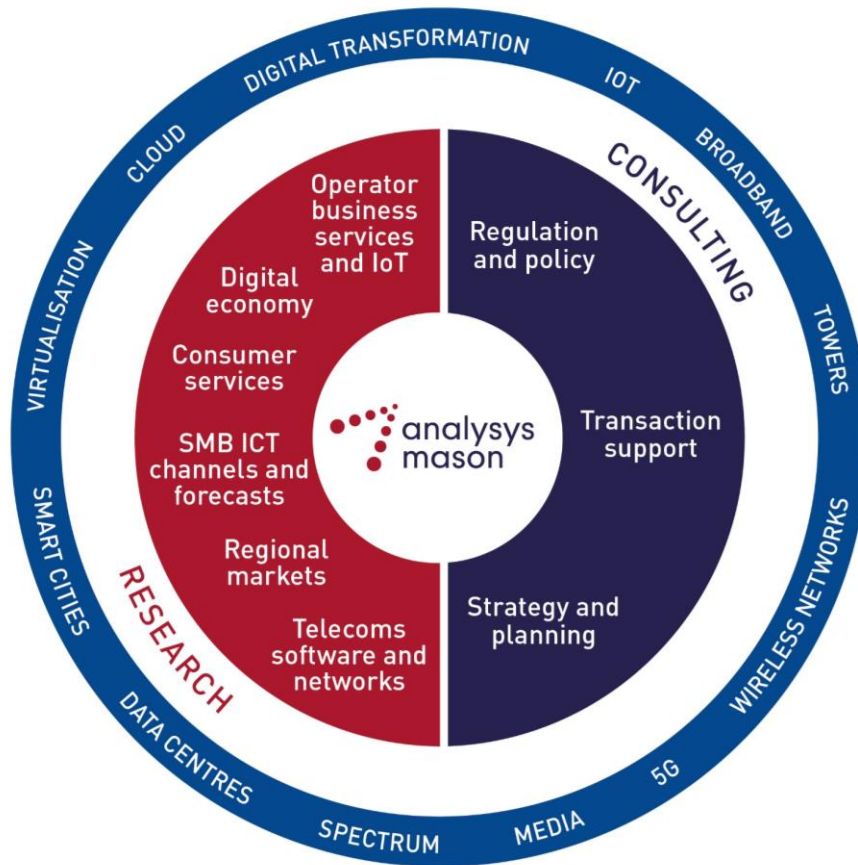
Polytimos Kontos (Research Analyst) is a member of data research team in London, contributing primarily to the *Telecoms Market Matrix*, *European Core Forecasts*, *European Country Reports* and *Global Telecoms Data* research programmes. Polytimos holds a MSc in Management from London Business School and a MEng in Civil Engineering from University of Patras.



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