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RESEARCH

Sub-Saharan Africa telecoms market: trends and forecasts 2019–2024

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January 2020, based on data up to 2Q 2019

About this report

This report provides:

- **a 5-year forecast of more than 180 mobile and fixed KPIs for Sub-Saharan Africa**, as a whole and for 11 key countries
- **an in-depth analysis of the trends, drivers and forecast assumptions** for each type of mobile and fixed service, and for key countries
- **an overview of operators' strategies and country-specific topics**, in order to highlight similarities and differences by means of a cross-country comparison
- **a summary of results, key implications and recommendations** for mobile and fixed operators.

Our forecasts are informed by on-the-ground regional market experts from our topic-led research programmes and our consulting division, as well as external interviews. In addition to our robust set of historical data, our forecasts draw on a unique and in-house modelling tool, which applies a rigorous methodology (reconciliation of different sources, standard definitions, top-down and bottom-up modelling).

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 to view the latest data associated with this report.

REPORT COVERAGE

Geographical

Regions modelled
- Sub-Saharan Africa (SSA)

Countries modelled individually
- Cameroon
- Côte d'Ivoire
- Ghana
- Kenya
- Nigeria
- Rwanda
- South Africa
- Sudan
- Tanzania
- Uganda
- Zambia

Key performance indicators

Connections

Mobile
- Handset, mobile broadband,[1] IoT[2]
- Prepaid, contract
- 2G, 3G, 4G, 5G
- Smartphone, non-smartphone

Fixed
- Voice, broadband, IPTV, dial-up
- Narrowband voice, VoBB
- DSL, FTTP/B, cable, BFWA, 5G, other

Revenue

Mobile
- Service,[3] retail
- Prepaid, contract
- Handset, mobile broadband,[1] IoT[2]
- Handset voice, messaging, data

Fixed
- Service,[3] retail
- Voice, broadband, IPTV, dial-up, specialist business services
- DSL, FTTP/B, cable, BFWA, other

ARPU

Mobile
- SIMs, handset
- Prepaid, contract
- Handset voice, data

Voice traffic

Fixed and mobile
- 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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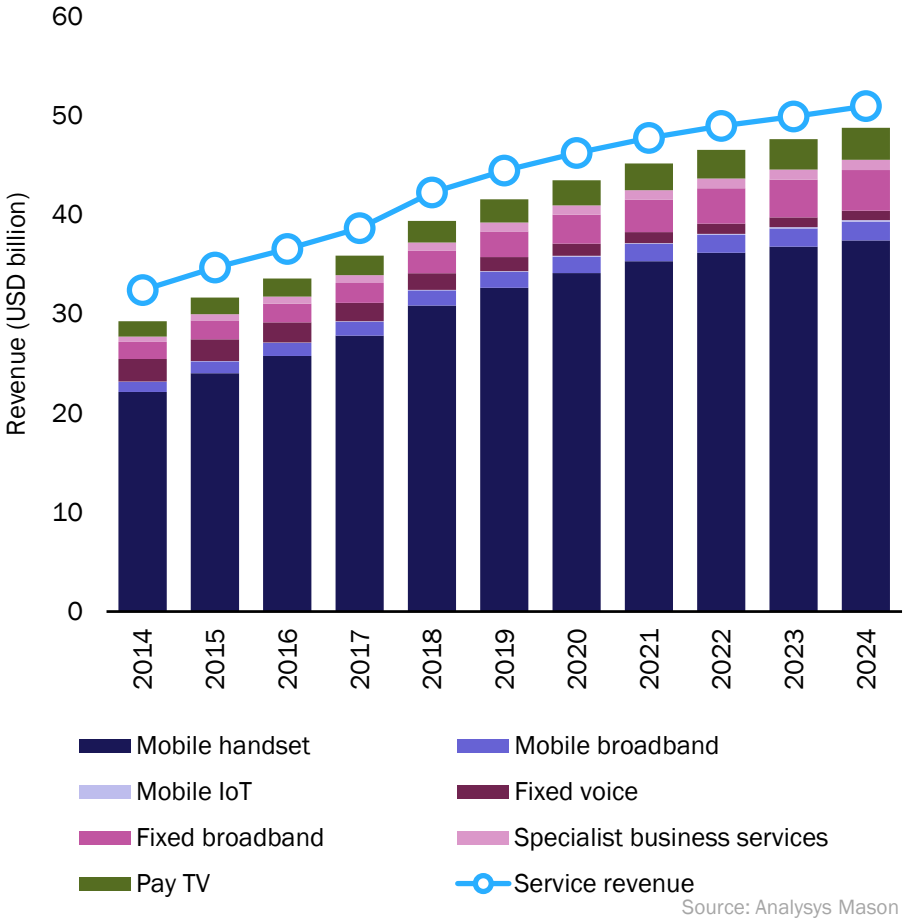
The telecoms revenue in Sub-Saharan Africa will grow strongly during the forecast period, mainly driven by an increasing appetite for mobile data

Figure 1: Telecoms and pay-TV retail revenue by type and total service revenue, Sub-Saharan Africa, 2014–2024



Source: Analysys Mason

Mobile services will continue to generate the vast majority of the telecoms revenue in Sub-Saharan Africa (SSA), and fixed services will remain largely niche.

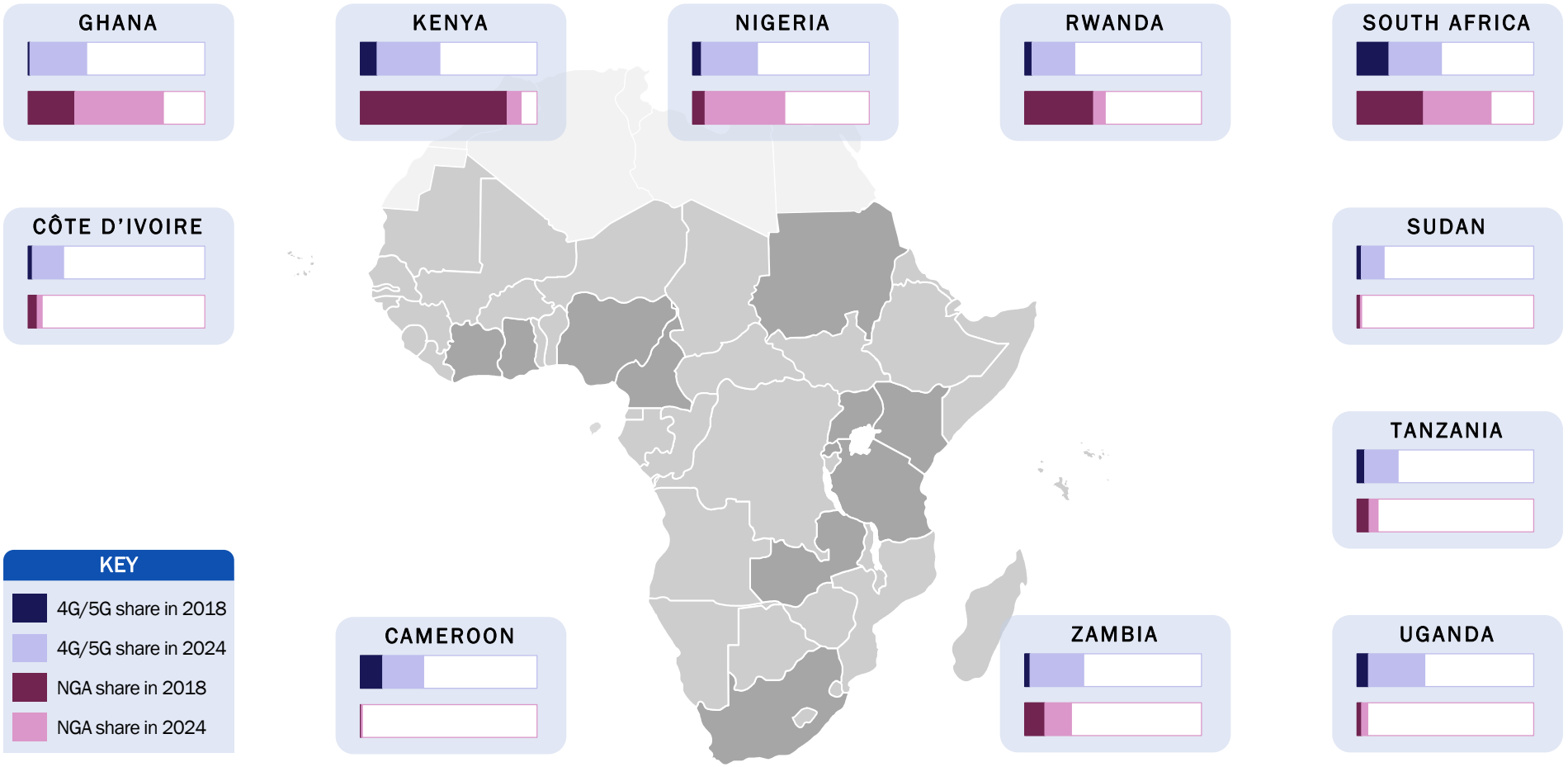
The total telecoms service revenue in Sub-Saharan Africa will be USD50.9 billion in 2024, which is an increase of 20.5% since 2018. Revenue from fixed services will remain small, but it will account for a larger share of the total revenue.

Many mobile operators in the region are shifting towards data-centric models thanks to the influx of cheap smartphones and the ongoing deployment of 3G and 4G networks. The revenue and number of connections in the fixed broadband segment will remain small compared to that in the mobile segment, but the take-up of fixed broadband services will grow, thanks to a rapid increase in the size of the middle-class population, demographic shifts and expanded infrastructure coverage.

Digital services, particularly mobile financial services, will be an important revenue growth opportunity for operators. Many operators already offer financial platforms and intend to further diversify their portfolio of services. Government and regulatory intervention will have both positive and negative effects on operators. Crackdowns on illegal and unregistered SIMs will result in a short-term slowdown in revenue growth, but government initiatives to deploy fibre backbone networks in large markets such as that in Nigeria will stimulate the demand for fixed broadband services.

Geographical coverage: the adoption of next-generation access (NGA) fixed broadband will increase the most in Ghana, Nigeria and South Africa

Figure 3: 4G/5G share of mobile connections and NGA share of fixed broadband connections by country, Sub-Saharan Africa, 2018 and 2024[1]



[1] For a full list of countries modelled as part of the Sub-Saharan Africa region, please see the accompanying data annex. Mobile connections exclude IoT connections. NGA share of fixed broadband connections is calculated as cable, VDSL and FTTP/B connections (that provide access speeds of 30Mbit/s or more) divided by the total number of fixed broadband connections.

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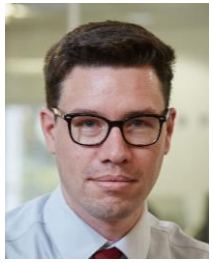
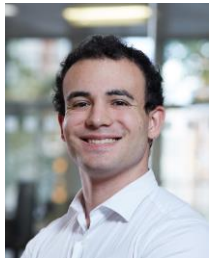
About the authors



Alex Boisot (Research Analyst) is a member of the regional markets research team in London, contributing primarily to the *Telecoms Market Matrix* and *European Country Reports* research programmes. Alex holds a BA in Philosophy, Politics and Economics from the University of East Anglia. He conducted research on the impact of telecommunications technologies on modern societies during his studies, writing his dissertation on e-government and e-democracy.



Francesco Paolo Bellomo (Research Analyst) is a member of the Data Team in London, contributing primarily to the *Telecoms Market Matrix* and *European Country Reports* research programmes. Francesco holds a BSc in Economics and Finance from Queen Mary, University of London, and a MSc in Finance from Warwick Business School.

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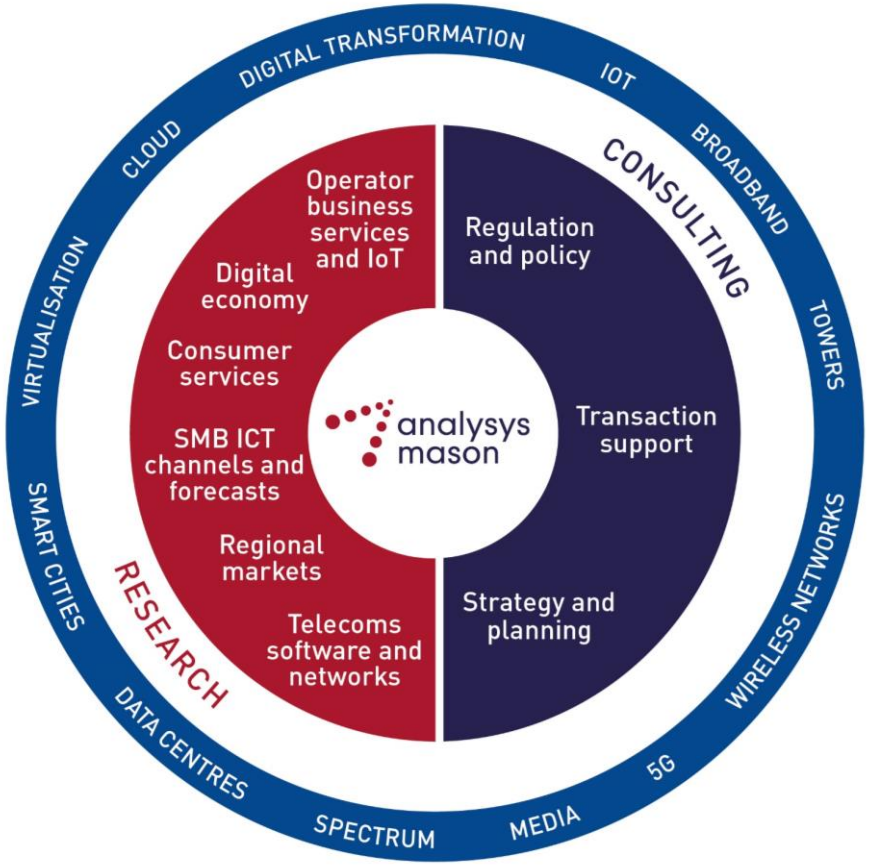
Analysys Mason's consulting services and research portfolio



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