

South Africa Telecom Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 100 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

Report description:

The South Africa Telecom Market revenue is expected at a CAGR of 5.32% over the next five years. The need for telecommunications services in South Africa has increased significantly during the last five years. Due to emerging technology (including artificial intelligence and the internet of things) and the COVID-19 pandemic, data requirements have recently increased particularly swiftly.

Key Highlights

Recently, the country's emphasis has been on fiber and LTE networks and backup capacity to increase and improve internet service connectivity. Telkom, the dominant telecom operator, anticipates shutting down its copper network in 2024 due to the ongoing transition to fiber. Notably, owing to the limited availability and poor quality of fixed-line networks, which left many people with no choice but to use mobile networks for voice and data services, the mobile industry has experienced rapid growth in recent years.

The South African telecom market is expected to grow on the back of LTE/LTE-A and 5G connectivity. This is especially true now that the government has announced that it will shut down 2G and 3G networks over the next three years. The long-delayed spectrum auction finally happened in March this year, and the regulator ICASA received over ZAR14.4 billion (USD 970.0 million) due to the sales. Meanwhile, several roaming agreements in the market would further support development in the cellular sector, and the operators would use the extra airwaves to increase the size and extent of their coverage.

In South Africa, digital transformation has significantly increased in the last couple of years. The country has recently made significant efforts in this area and has been actively trying to improve 5G legislation and regulations to assist in helping the country remain prepared for the digital age. One recent instance is the launch of a three-stage 5G spectrum auction by the Independent Communications Authority of South Africa (ICASA) at the beginning of this year. Undoubtedly, South Africa's efforts to expedite spectrum auctions and new spectrum allocations would maximize the economic benefits of cellular technology in the

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

country.

Fixed telecom connections in South Africa are steadily switching from copper to fiber. Due to this, the company's DSL broadband user base has drastically decreased in recent years. The necessity for better digital services and the strains placed on broadband infrastructure during the pandemic prompted the government, late last year, to develop plans for the rollout of broadband services by the end of next year across the country. This would be an upgrade to current projects that called for achieving countrywide coverage by 2030.

The pandemic's substantial effects on global manufacturing and supply chains are being overlooked by the market, which also experienced a pause in some network expansions, notably those related to 5G. During this critical time, the country initially faced macroeconomic disruptions that constrained the spending on telecom services and equipment. However, telecom services are essential for both everyday communication and as a tool for remote work. The overall result was consistent, and there was an increase in subscriber growth in many areas. South Africa witnessed high demand for mobile data, nullifying the industry's primary disruption.

South Africa Telecom Market Trends

Roll Out of 5G

A 5G infrastructure and service rollout is now in South Africa. The government of South Africa said in May 2021 that it planned to roll out the 4G network to more rural and underserved regions and implement the 5G network there. It also proposed changes to the country's laws and regulations to facilitate digital transformation. The country is moving towards digital transformation in a real sense through the convergence technologies such as the Internet of Things (IoT), cloud, edge computing, and 5G networks altogether,

5G is essential for the major digital platform ecosystems that would drive South Africa's fourth industrial revolution. Mobile network carriers, including MTN, Vodacom, Rain, and Telkom, to satisfy South Africa's huge rise in traffic for internet services, have already installed 5G networks. The current allotted bandwidth is expected to expand by more than 300 MHz through the recent auction organized by ICASA, which would help with the early phases of 5G network implementation and South Africa's bandwidth shortage.

In March of this year, the authorities in South Africa concluded an auction of spectrum in the 700MHz, 800MHz, 2.6GHz, and 3.5GHz frequency bands for 5G services, in which all operators actively participated. According to the auction's rules, operators must reach population coverage of up to 80% to 97% within five years. The operators in South Africa could use these spectrums to boost the capacity and speed of their 5G network and its coverage area.

The licensing of new bands makes it easier to utilize networks throughout the fourth industrial revolution and South Africa's economic recovery, especially when 5G fulfills its goal to continue bringing about digital transformation in the industry. In South Africa, digital transformation has gained a significant pace. South Africa has recently made major efforts in this area. It has been actively trying to improve 5G legislation and regulations to assist the country remain prepared for the digital age. The distribution of the 5G spectrum is anticipated to speed up 5G development and produce social value, which would lead to a quick uptake of 5G in the market, which has much-untapped potential.

According to a report published by ICASA, 99.9% of South Africa's population had access to the 3G mobile network as of last year. 53% of mobile devices had 4G/LTE in 2015, but 97.7% had the same last year. Alongside this trend, smartphone penetration increased quickly, doubling to 91.2% in the four years from 2016 to 2019. Last year, nearly 7.5% of South Africa had 5G coverage. In the future, the 5G penetration in the country is expected to upsurge manifolds.

Wide Wireless Penetration

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Mobile phones rebounded strongly in the next year after witnessing a double-digit decrease in 2020 as the epidemic devastated the economy and global supply networks. This was caused by inevitable supply chain tensions relaxing coupled with the rising power of customers to switch to upgraded mobile phones. Beyond this year, the recovery will continue, and retail volume sales are anticipated to approach pre-pandemic levels. Also, smartphones continue to rule the market as they quickly replace feature phones.

The mobile connection has the potential to accelerate the digital transformation of the country and propel socio-economic development. Mobile connection is expected to play a vital role in establishing the "new normal" as South Africa and the rest of the globe shift into a post-pandemic economic recovery phase. The chance to use digital technology and services to boost productivity and efficiency in service delivery, create economies that are more robust to future shocks, and guarantee more equitable socio-economic growth is one that the authorities perceive.

Africa is indeed experiencing a mobile phone revolution. With more than 100 million subscribers, currently, South Africa is the largest mobile phone market in Africa, thanks to its expanding economy. Following South Africa are Nigeria, Egypt, and Morocco. In the following five years, mobile phone sales in South Africa are expected to grow more than double. The growth of local and regional economies and the expansion of service providers' networks in the area are anticipated to support the increase. According to GSMA Intelligence data, 108.6 million cellular mobile connections-or 179.8% of the country's population-were active in South Africa at the beginning of this year. According to GSMA Intelligence data, South Africa had 108.6 million mobile connections at the beginning of the current year or 179.8% of the country's total population. As per the report, there were 4.8 million (4.6%) more mobile connections between the last and current year. It had a 68.2% internet penetration rate and over 89 million smartphone users.

According to ICASA research, the most popular choice for mobile voice services in South Africa is unquestionably prepaid subscriptions. They made up 84 percent of all cellular voice subscriptions for mobile devices as of the end of September last year.

South Africa Telecom Market Competitor Analysis

The South African telecom market is moderately fragmented in nature. Some major players in the market studied include Vodacom South Africa, Telkom SA SOC Limited, MTN South Africa, Cell C Limited, and Saicom South Africa. The market also hosts other Internet service providers (ISPs), MVNOs, and fixed-line service providers. Some South African telecommunication companies are competitive internationally and hold firm ground in the global telecom space.

In March 2022, MTN South Africa, one of the market-leading telecom companies in the country, announced its investments in 5G and network expansion drives. The operator affirms that it intends to invest around ZAR 620 million (USD 42.25 million) in network expansion and 5G push in the Free State, the nation's judicial capital, and the Northern Cape, the country's largest province.

In March 2022, Vodacom South Africa introduced an online resource hub called the V-Hub for small- and medium-sized businesses (SMEs). This is a simple platform that offers CIO online advisory services to enterprises. SMEs may become more flexible and agile by implementing the correct digital solutions, allowing them to adjust swiftly to clients' changing demands.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

1 INTRODUCTION

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

1.1 Study Assumptions and Market Definition

1.2 Scope of the Study

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 MARKET INSIGHTS

4.1 Market Overview

4.2 Industry Ecosystem Analysis

4.3 Industry Attractiveness-Porter's Five Force Analysis

4.3.1 Bargaining Power of Suppliers

4.3.2 Bargaining Power of Consumers

4.3.3 Threat of New Entrants

4.3.4 Threat of Substitute Products

4.3.5 Intensity of Competitive Rivalry

4.4 COVID-19 Impact on the Industry Ecosystem

4.5 Regulatory Landscape in the Country

5 MARKET DYNAMICS

5.1 Market Drivers

5.1.1 Demand of Mobile Phones

5.1.2 Active 5G Roll Out

5.2 Market Restrain

5.2.1 Limited Fixed Network Penetration

5.3 Analysis of the Market based on Connectivity (Coverage to include In-depth Trend Analysis)

5.3.1 Fixed Network

5.3.1.1 Broadband (Cable modem, wireline-fiber, wireline DSL, fixed Wi-Fi), Trends regarding ADSL/VDSL, FTTP/B, cable modem, FWA, and 5G FWA)

5.3.1.2 Narrowband

5.3.2 Mobile Network

5.3.2.1 Smartphone and mobile penetration

5.3.2.2 Mobile Broadband

5.3.2.3 2G, 3G, 4G and 5G connections

5.3.2.4 Smart Home IoT and M2M connections

5.4 Analysis of Telecom Towers (Coverage to include in-depth trend analysis of various types of towers, like, lattice, guyed, monopole, and stealth towers)

6 MARKET SEGMENTATION

6.1 Segmentation by Services (Coverage to include Average Revenue Per User for the overall Services segment, Market size and Estimates for each segment for the period of 2020-2027 and in-depth Trend Analysis)

6.1.1 Voice Services

6.1.1.1 Wired

6.1.1.2 Wireless

6.1.2 Data and Messaging Services (Coverage to include Internet & Handset Data packages, Package Discounts)

6.1.3 OTT and PayTV Services

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

7 COMPETITIVE LANDSCAPE

7.1 Company Profiles

- 7.1.1 Vodacom South Africa
- 7.1.2 Telkom SA SOC Limited
- 7.1.3 MTN South Africa
- 7.1.4 Cell C Limited
- 7.1.5 Saicom South Africa
- 7.1.6 ATC South Africa
- 7.1.7 Huge Telecom
- 7.1.8 HD Telecoms
- 7.1.9 Voys Telecom
- 7.1.10 Liquid Intelligent Technologies

8 INVESTMENT ANALYSIS

9 MARKET OPPORTUNITIES AND FUTURE TRENDS

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

South Africa Telecom Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 100 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scott's-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scott's-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-03-01"/>
		Signature	

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scott's-international.com

www.scott's-international.com

