

Africa Telecom Towers And Allied - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

Market Report | 2024-02-17 | 158 pages | Mordor Intelligence

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Report description:

The Africa Telecom Towers And Allied Market size in terms of installed base is expected to grow from 208.31 Thousand units in 2024 to 261.21 Thousand units by 2029, at a CAGR of 4.63% during the forecast period (2024-2029).

With the outbreak of COVID-19, the telecom industry has witnessed a significant increase in demand for internet services due to a major chunk of the population staying at home and remote working conditions. The increase in people working from home has led to an increase in demand for downloading, online video viewing, and communication through video conferencing, all of which are leading to increased network traffic and data usage.

Key Highlights

- The telecom tower industry has drastically evolved over the past decade. The core towerco proposition and business models have been successfully adapted to match the demands of new markets in Africa. Many towercos are anticipated to hunker down in their core building business over the forecast period, buying and leasing vertical real estate, and such towercos may still see plenty of 5G antenna overlaid onto their towers.
- As per the Nigerian Communications Commission, as of January 2021, the number of third and fourth-generation telecom towers deployed in Nigeria has grown by 73.2%. Also, global tower companies are expanding their presence in the region, through strategic collaborations, due to the growing number of opportunities presented.
- The emergence of KaiOS and its partnerships with operators across Africa is helping overcome the affordability barrier for low-income users. The free resources offered, such as the 'Life' app, also help new users develop digital skills and understand how the internet can be relevant. Such initiatives are expected to boost internet penetration in these countries significantly.
- Several initiatives by telecom operators and other organizations, especially in low and middle-income countries, are expected to spur growth in the rural areas as the residents of these areas gain increased access to internet connectivity.

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-Furthermore, with businesses going mobile and adopting new concepts, like BYOD, to increase employee interaction and ease of use, it has become essential to provide a high-speed and quality network. The organizations have been looking forward to adopting BYOD aggressively in their operations, fueling the market growth over the forecast period. Furthermore, development in cloud-based services for mobile users and the roll-out of 4G LTE services worldwide have increased the investment into networks by carriers, which drives the demand for telecom towers.

-The increasing emphasis on improving internet connectivity to rural areas is one of the major factors stimulating the deployment and improvisation of the telecom infrastructure in these areas, thereby aiding the market's growth. Smartphone penetration, raising awareness, increasing penetration of digital technologies, and investments from several organizations and governments have been increasing the adoption of internet connections in the region.

Africa Telecom Towers Market Trends

Private Owned Telecom Towers to Register Significant Growth

- Privately-owned TowerCos owns passive infrastructure on a site and leases space on it to MNOs to host their active equipment. They can either be pure-play independent TowerCos with no residual equity retained by an MNO or have a minority stake held by an MNO.

- Companies such as Blue-Sky Towers have been operating in the market studied. A privately owned company with a portfolio of 100 sites in South Africa, with 200 additional sites in the medium-term pipeline. Also, Eagle Towers is another privately owned telecom tower company with a portfolio of around 50 towers in South Africa.

- Countries like Nigeria have also witnessed substantial tower infrastructure growth over the past few years. TowerCos gained significant traction due to their extensive portfolio of telecom towers which helped telecom operators and MNOs to roll out services in record time. In addition, MNOs in the country have indulged in outsourcing various telecommunications infrastructure needs to independent telecom tower providers, thus positively impacting the segment's growth in the region. Market vendors such as IHS buy mobile towers from telecom companies or MNOs, build them themselves, and then lease them back to the operators. The company now operates in Cameroon, Cote d'Ivoire, Rwanda, and Zambia.

- Moreover, as MNOs seek to drive capital and operational efficiency and divest their tower portfolios to focus on their core business, the privately owned telecom tower segment is expected to gain significant traction in the coming years. Greater outsourcing to independent TowerCos could release a significant amount of capital which MNOs can reinvest in their networks to improve network coverage and accelerate 5G rollouts in Africa in the coming years.

- For instance, telecom tower infrastructure company Helios Towers plans to build 1000 telecom towers in South Africa to fuel the growth of 5G. The company has negotiated with local players and wants to buy existing cell towers from wireless carriers like Vodacom and MTN.

- According to the survey conducted by Ericsson, the 5G mobile subscription size is anticipated to cross 104 million by 2027 in the Sub-Saharan Africa region. Such projected growth in 5G mobile subscriptions signifies a considerable demand for 5G infrastructure in the sub-Saharan Africa region.

- Thus, the privately owned telecom tower segment will hold a significant share in the African telecom tower market in the coming years, owing to the increasing demand from MNOs to rollout their network in African countries and the growing acquisition of telecom towers by privately-owned telecom tower companies in the region.

South Africa to Dominate the Africa Telecom Towers Market

- Rural mobile connectivity is becoming vital in South Africa, as it helps to bridge the digital divide and provides access to

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information, communication, and services to people living in remote areas. A growing number of telecom tower companies are expanding their infrastructure in rural areas and gaining substantial investments. This is expected to drive the telecom tower market in the country during the forecast period.

- For instance, in March 2023, Infra Impact Investment Managers announced to help its portfolio company, Eagle Towers, secure a ZAR 100 million secured loan facility to support Eagle Towers' growth and expansion plans. The loan facility will help Eagle Towers drive increased telecommunication coverage and reduce access costs in South Africa. Eagle Towers builds, operates, and maintains telecom towers across South Africa, especially in rural areas.

- Moreover, new market vendors are entering the market and acquiring a 4G spectrum to expand network coverage across South Africa. Such developments are analyzed to influence the country's telecom tower market growth. For instance, in May 2023, South African operator Rain announced that it entered the mobile market for the first time. The telco provides high-definition voice calls, SMS, data, and national 4G mobile coverage through its infrastructure. As per the company, after acquiring Spectrum in the 2022 auction, the operator overlays its existing 4G network with a new layer that provides for more comprehensive reach.

- Mobile network operators have made significant progress in rolling out 5G services, positively impacting market growth. For instance, in October 2022, South African telecom operator Telkom launched its 5G high-speed internet network using Huawei Technologies. Telkom, part-owned by the state, joins its larger competitors Vodacom and MTN and rains on the 5G race. The telco wants to boost its fast-growing mobile data and fixed-line broadband businesses amid increasing broadband demand.

- Moreover, the country's government efforts to boost broadband adoption are analyzed to drive telecom tower demand during the forecast period. For instance, the South African government plans to turn off 2G and 3G networks by March 2025 to free up spectrum for 5G and 4G services. Thus, South Africa is expected to be an attractive market for telecom tower companies in the coming years owing to the growth in 4G network coverage, increasing demand from rural areas for telecom towers, and faster 5G rollouts by market vendors.

Africa Telecom Towers Industry Overview

The African telecom and allied market is moderately competitive and has many global and regional players. These players account for a considerable market share and focus on expanding their client base globally. These players focus on research and development activities, strategic alliances, agreements, and other organic & inorganic growth strategies to stay in the market landscape over the forecast period. Some of the major players in the market are IHS Towers (IHS Holdings Ltd), Helios Towers PLC, American Tower Corporation, Eskom Holdings Limited, etc.

- In March 2023, Helios partnered with mobile network operators (MNOs) in South Africa to provide power-as-a-service to its sites due to the country's ongoing power crisis, which owns and maintains over 13,500 telecom tower sites in eight African nations.

- In February 2023, ZESCO Limited launched a refreshed core ideology and a USD 6 billion projected investment across the utility's value chain of generation, transmission, distribution, and supply. The company always aims to increase its customer base. The company uses reflective market fees for all new electricity connections to provide its customers with an effective and efficient service. The connection fees have not been increased or changed but are market-driven. The company is taking up more projects to expand its regional presence.

- In October 2022, American Tower's African business unit ATC Africa signed a multi-year, multi-product agreement with Airtel Africa. As part of the agreement, Airtel Africa would use ATC's communications sites across Kenya, Niger, Nigeria, and Uganda to support Airtel's network rollout.

Additional Benefits:

- The market estimate (ME) sheet in Excel format

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