

## **South Africa Cybersecurity - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029**

Market Report | 2024-02-17 | 120 pages | Mordor Intelligence

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### **Report description:**

The South Africa Cybersecurity Market size is estimated at USD 0.26 billion in 2024, and is expected to reach USD 0.49 billion by 2029, growing at a CAGR of 12.97% during the forecast period (2024-2029).

The rapid introduction of digital technologies for data assembly, storage, analysis, and sharing has created a need for digital data security, which is a major factor driving the growth of the South African cyber security market.

#### **Key Highlights**

- The robust digitalization in verticals like banking and financial services, and government sector, and the oil and gas industries has consequently triggered the risk of cyber-attacks. However, the growing awareness and the adoption of various cybersecurity services needed to safeguard smart grid devices, digitalized businesses, and IoT-based smart cities are expected to drastically boost the South Africa Cybersecurity Market.
- Moreover, the growth of hacking, cracking, and other forms of cyber-mischief have made personal, commercial, financial, and other digital data more vulnerable, thereby increasing the need for cyber security and market growth within the region. Furthermore, growing cyberattacks have forced administrations to improve their security measures and adopt cybersecurity services, significantly boosting the market's growth opportunities.
- Businesses in Africa are especially vulnerable to cybercrime, with over half of the continent's countries having insufficient Cyber Security laws and regulations, creating a favorable factor for cybercriminals. These factors are driving up the demand for cyber security.
- Also, factors like the lack of cybersecurity professionals, the high reliance on traditional authentication methods, and low preparedness can restrict the market's growth opportunities throughout the forecast period.
- Moreover, the sudden outbreak of COVID-19 in the country halted the operation in several sectors, such as retail, hospitality,

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energy & utility, hampered the growth of the cybersecurity industry. However, during the post-COVID-19 period, the rise in digitalization within the country is expected to drive the market exponentially.

## South Africa Cybersecurity Market Trends

### Growth of digitization across the region

- Digital transformation plays a crucial part in the business landscape in South Africa as companies and businesses across all sectors and industries automate and digitalize business processes while leveraging data to improve decision-making, create value, and augment strategic planning.
- Due to the outbreak of COVID-19, advanced automation was adopted in workplaces at a rate that signified the coming of a digital revolution, where data was gathered along the entire supply and demand chain with the help of digital innovations like sensorization, networked data analytics, and artificial intelligence.
- Most large company leaders in South Africa anticipate that more hybrid work patterns will become the norm over time. The pandemic pushed digitalization, enabling businesses to use their data more wisely to gain insight and become more competitive.
- Moreover, South African countries are making heavy investments in digitalizing their economy. The DCDT is mandated to facilitate South Africa's digital transformation by creating an enabling policy and regulatory environment to encourage digital inclusion and economic growth.
- According to Sophos, on average, 78 percent of organizations in South Africa were victims of ransomware in the year 2023. The total share of organizations in South Africa hit by ransomware attacks in 2022 was around 51%. This significant rise in ransomware attacks plays a considerable role in driving the market's growth significantly.

### IT and Telecommunication Sector to Witness the Significant Adoption of Market

- South Africa has one of the most significant information and communications technology markets in Africa. It possesses technological leadership, especially in mobile software, security software, and various electronic banking services. As an increasingly significant contributor to South Africa's GDP, the country's ICT and electronics sector is thus both sophisticated as well as developing.
- Several international corporates operate subsidiaries from South Africa, including Cisco, IBM, Unisys, Microsoft, AWS, Intel, Systems Application Protocol (SAP), Novell, Dell, and Compaq. It is thus seen as a crucial regional hub as well as a supply base, especially for the neighboring countries.
- Also, the major trend of moving towards cloud-based systems has gained significant momentum in South Africa, especially with the increased improvements in connectivity, reducing cost, and data center infrastructure. The strong entrepreneurial drive within the local IT sector is thus creating a massive demand for cloud-based services. The cloud-based solutions and services offer safer and cheaper alternatives and efficiency gains in operations. However, cloud usage is also vulnerable to piracy and cyber threats. Hence, with the rise in cloud adoption within the region, the demand for cybersecurity is expected to increase exponentially throughout the forecast period.
- Moreover, numerous domestic fiber network providers in South Africa, including Vuma, offer an open-access fiber network that is resold to several retail service providers and has download speeds of up to 1 Gbps. South Africa is connected to the world by five major international subsea cable systems. With Microsoft Azure Cloud and AWS entering the market as a crucial gateway for the rest of Africa, there has been a quick emergence of new CSPs in South Africa, expected to drive growth in the cybersecurity market.
- According to American Tower, in the second quarter of 2022, Vodacom held the largest market share of mobile subscriptions in

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South Africa, with around 41 percent. Telkom has held the smallest share of the South African market but has grown the most. Such a rise in the telecom sector in the region is expected to aid the market's growth significantly.

## South Africa Cybersecurity Industry Overview

South Africa's Cybersecurity Market is moderately concentrated and dominated by major players like Palo Alto Networks Inc., Cisco Systems, Inc, Kaspersky Labs, and CyberArk And Check Point Software Technologies Ltd. These major players, with a prominent market share, are focusing on extending their overall customer base across foreign countries.

In November 2022, Vodacom Business partnered with CybSafe to provide its businesses and clients with on-demand security training and awareness access. CybSafe is mainly known for its industry-leading, customizable and behavioral-science-based cybersecurity solutions. Now, Vodacom Business clients can download the CybSafe app onto their mobile devices and utilize it to gain cybersecurity compliance while improving the security behaviors of their employees.

In August 2022, Vodacom and Microsoft South Africa collaborated to train around twenty interns around the significance of cybersecurity. Vodacom is keen to play a crucial role in addressing cyber skills scarcity in South Africa, with cybersecurity a vital threat for businesses, governments, and individuals worldwide.

### Additional Benefits:

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

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