

South Africa IoT - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The South Africa IoT Market size is estimated at USD 6.88 billion in 2024, and is expected to reach USD 12.82 billion by 2029, growing at a CAGR of 13.28% during the forecast period (2024-2029).

As per the GSMA, the number of cellular IoT connections in the South African region will reach 53 million at the end of 2030. Vodacom South Africa claims to have coverage for 80% of the population, a little less than their respective 4G population coverage.

Key Highlights

- The smart city projects in South Africa are creating demand for IoT in the country. The government has already raised funds to develop three smart cities: Nkosi City, an African coastal smart city, and Lanseria Smart City. Investments are being made in other cities with the deployment of CCTVs, which can be used to analyze traffic volumes and other variables that affect congestion and need to be considered in city planning.
- According to the IoT Industry Council of South Africa (IOTIC), IoT adoption trends have surged. Smart water and energy management solutions are already deployed in commercial office space, mining, agriculture, and manufacturing sectors. For instance, in August 2022, Sigfox South Africa launched an LPWAN IoT solution for connectivity service in the country to bring down the cost and complexity of massive IoT adoption in many sectors, including energy, manufacturing, agriculture, healthcare, and logistics.
- IoT development in much of sub-Saharan Africa is at a more infantile level and confronts more challenges. These include less investment and innovation in products and gadgets that suit local use cases and decreased consumer and company purchasing power.
- The COVID-19 pandemic inspired a surge in IoT solutions within the healthcare environment designed to transform patient and

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practitioner care. The need for social distancing during the pandemic increased telemedicine and remote healthcare solutions that allowed practitioners to serve patients from multiple environments and locations.

South Africa IoT Market Trends

The Retail Segment to Witness a Significant Growth

- IT News Africa organized the Digital Retail Africa program in January 2023 to explore revolutionary ideas and cutting-edge technologies to ride the new wave of consumerism in the African retail sector.
- Retailers are adopting AI and IoT solutions to provide shoppers with distinct shopping experiences. For instance, retailer Woolworths adopted a physical solution, integrating its social platforms with its physical outlets through an in-store InstaShop. Woolworths intends to adopt more nascent technologies, such as near-field technology (NFT) and immersive metaverse shopping, going forward.
- Launching the Kyosk app gives traditional retailers market data visibility and last-mile delivery. Local eateries can order quality products at competitive prices and deliver them within 24 hours. Even small-holder farmers are using the app to get end-to-end value chain digitization.
- In August 2022, South African retailer Pick n Pay migrated its entire on-premises information technology infrastructure to its public cloud computing platform. This way, it was expected to be able to streamline its business operations and modernize its supply chain network for individual stores.

Growing Markets in Africa is Expected to Propel the Demand for IoT

- Telecom companies in South Africa intend to phase out their 2G and 3G networks as they invest in cutting-edge technologies. Solution providers, particularly in the IoT arena, are racing to manage this shift, and many are considering newer networking technologies like 4G, 5G, and NB-IoT as substitutes.
- At the beginning of 2023, there were 43.48 million internet users, with 112.7 million active mobile connections in South Africa, and internet penetration stood at 72.3 percent. The increasing demand for the internet is accelerating the use of IoT in various sectors. Since South Africa is an Android-dominant market, WhatsApp, most people's default messaging service, has become a fundamental tool for business communication.
- A large chunk of South African consumers shop at Shoprite. To enhance the customer shopping experience, the supermarket brand launched a shopping app called ShopriteX.
- DSTv (Digital Satellite Television) is a Sub-Saharan African direct broadcast satellite service that started WhatsApp Services to enable customers to troubleshoot problems, update subscription packages, and manage their accounts through WhatsApp.

South Africa IoT Industry Overview

The massive increase in the number of smart wireless devices requires the integration of IoT for smooth functioning. Since many players serve this demand, this market has moderate competition. These IoT service providers sign contracts and invest with various companies to help expand their businesses. As the demand for automated gadgets increases, they have a broader scope of expansion with the development of enhanced IoT solutions. Some significant companies offering services in this sector include Microsoft Corporation, Huawei Technologies, Google Inc., and Cisco Systems, Inc.

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In March 2023, Comsol and Ericsson entered into a partnership to digitalize South Africa's mining industry, improve worker safety, increase operational efficiency, and realize its sustainability goals. Comsol has access to the Ericsson Private 5G platform, which enables cutting-edge smart solutions for improved operational effectiveness and security. The high-speed wireless networking solution will be available to Comsol's customers in the mining sector of South Africa.

In February 2023, Liquid Intelligent Technologies was expected to deploy Nokia's innovative transport network technology in the new terrestrial fiber route connecting Mombasa to Johannesburg. This partnership is anticipated to help in the digital transformation of the African region and the expansion of the high-speed fiber backbone on the continent. Liquid's route is expected to provide businesses and households in many of Africa's landlocked cities, towns, and villages with more resilient connectivity and access to numerous data centers and cloud resources.

Additional Benefits:

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

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