



# Mobile subscriptions in region to increase rapidly

Mobile and fixed telephony subscribers in sub-Saharan Africa are expected to reach 266.1 million by 2017, while internet subscribers will hit 77.5 million, according to research released on Tuesday, 9 October 2012, by Frost & Sullivan.

By [Thabiso Mochiko](#) 11 Oct 2012

This expansion will be driven primarily by demand and uptake of mobile voice and internet services, said Frost & Sullivan. In 2010 there were 181.7 million mobile and fixed telephony subscribers and 29.8 million internet subscribers in the region.

In South Africa Vodacom, Telkom, MTN, FibreCo and Cell C are spending billions of Rands in rolling out high speed network to increase network capacity and address the spike in the demand for faster broadband internet. In the past four years many undersea cables were launched in Africa that has resulted in some reduction in wholesale bandwidth prices.

"The growth of voice and internet markets in Africa is expected to be driven by a decline in retail price for these services," said Frost & Sullivan's Information & Communication Technologies Business Unit Leader for Africa, Chantel Lindeman.

Operators in the region are investing significantly in mobile infrastructure, including base stations and transmission networks. "It is expected that this will result in the availability of higher network capacity at low cost, with operators spurring growth by passing savings in network costs to the end users of services," said Lindeman.

According to Lindeman, operators are investing in shared terrestrial fibre optic infrastructure to increase transmission capacities and connect end users to undersea cables. They are also adopting infrastructure sharing at base stations to minimise the overall cost of delivering services to end users.

"Cost minimisation is likely to translate to lower retail prices of voice and internet services and push up demand and up take levels," she says.

MTN South Africa's chief technology officer, Kanagaratnam Lambotharan, on Tuesday reaffirmed the importance of investing in "future-proof telecommunications infrastructure that enables seamless converged" communications. "There is no doubt that the local telecoms market continues to grow and develop as more investment is made into broadband infrastructure," he said.

Frost & Sullivan has highlighted that the key challenge to growth and increased penetration of voice and internet markets in Africa is the low disposable income of a majority of consumers. Consumers are unlikely to afford devices required for the uptake of internet services as the cost is generally perceived to be high. This will result in significantly low levels of new subscription to voice and internet services in the short-term.

Operators "should engage governments to offer tax subsidies on mobile phones, laptops and smartphones that are required to access internet services. In addition, operators can extend their range of internet access packages to meet the budget capabilities of more consumers," said Lindeman.

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