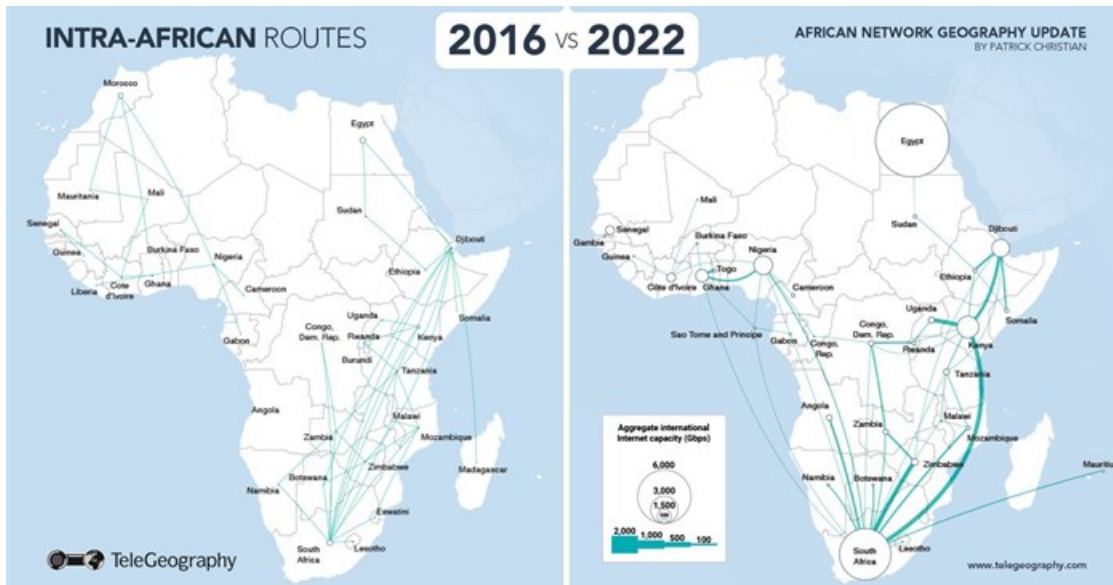


# Growing telecom infrastructure in Africa is a huge opportunity

When Microsoft [announced in 2017](#) that it would serve its cloud to Africa from data centres located in Cape Town and Johannesburg, it accelerated the pace of the continent's broadband expansion.



Intra-Africa route growth. Source: Supplied

One of the key findings of a [market study by TeleGeography](#) is the substantial increase in transit route capacity across the continent and the growth of intra-Africa traffic. More digital content is being serviced within Africa than ever and at a rapidly growing rate.

The expanded capacity in both subsea cable and terrestrial fibre has translated into large IP bandwidth growth, price declines in bandwidth, growth in localised data centres and, as a result, enhanced connectivity and improved user experiences.

In summary, a healthy, growing telecommunication ecosystem which enables CDNs, cloud services, and SaaS providers to serve new customers within sub-Saharan Africa reliably.

## Subsea cable acceleration

Subsea cable, terrestrial fibre and data centre investments are making Africa the top-growing bandwidth market globally, with projected compound growth of 42% between 2022 and 2029, surpassing the global average projections of 32%. Content providers have experienced 80% compound annual growth rates in African bandwidth between 2018 and 2022.

Introducing new submarine cable systems is expected to increase capacity for coastal and landlocked countries, increase the number and size of intra-African routes, decrease transit prices along key African routes, and boost localised digital content growth.



## Teraco secures multi-billion rand loan for expansion, renewable energy

2 Feb 2023



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The report also highlights that despite the historical internet traffic routes from Europe to Africa, South Africa has become a growing regional hub for intra-Africa internet capacity, with the percentage of traffic servicing sub-Saharan Africa becoming more intra-Africa than traditionally serviced from Europe.

As internet exchange points (IXPs), CDNs, points of presence (PoPs), and data centre construction sparks the growth of new ecosystems within Africa's shores, the internet edge moves ever closer to African end-users, with significant transit hubs within Africa, assuming prominence over Europe.

## SA is the gateway to Africa

Intra-Africa capacity within sub-Saharan Africa being serviced from South Africa has exploded between 2016 and 2022, with compound growth of over 50% per annum, with South Africa entrenching its position as the content hub for Africa.

"The demand for reliable and scalable digital infrastructure continues to surge and Teraco remains committed to supporting these providers in expanding their presence across the region," says Michele McCann, head of platforms at Teraco.

"With these substantial bandwidth investments, CDNs, cloud services, and SaaS providers can unlock unprecedented growth opportunities in Africa's evolving digital landscape by leveraging Teraco's state-of-the-art facilities, deep ecosystems, and our position as the hub of Africa's digital infrastructure."

Teraco is active in 26 countries in the region and has access to subsea cable systems on the East and West coasts of Africa.

"With increased transit route capacity, forecasted bandwidth growth, improving pricing dynamics, a flourishing content ecosystem, and the evolving data centre landscape, service providers need to look no further to extract immense potential and establish a successful presence in the African market," she concludes.

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