

Mobile phones 'transforming' Africa but growth to slow: study

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An employee works on a mobile phone on an assembly line in Brazzaville on July 20, 2015

The rapid spread of mobile phones across Sub-Saharan Africa is transforming the region, but record levels of growth are due to slow sharply, an industry report said this week.

The industry contributed more than \$100 billion to the region's economy

last year—equivalent to 5.7 percent of [gross domestic product](#), according to a study released at a conference in Cape Town by the GSMA association which represents [mobile operators](#).

It forecast that there will be 386 million [mobile subscribers](#) in Sub-Saharan Africa by the end of this year—equivalent to 41 percent of the population.

"The mobile industry remains a key driver of economic growth and employment in Sub-Saharan Africa, making a vital contribution given the population growth and high unemployment levels seen in many countries," said GSMA acting director general Alex Sinclair.

"Mobile technology is also playing a central role in Sub-Saharan Africa by addressing a range of socio-economic challenges, particularly digital and financial inclusion, and enabling access to vital services such as education and healthcare."

For many Africans faced with poor or non-existent landline infrastructure, mobile phones are the route to the Internet instead of laptops or desktop computers.

The number of subscribers has grown by 13 percent a year during the first half of this decade—more than twice the global average of six percent.

But the growth rate in Sub-Saharan Africa is expected to slow sharply over the next five years, to around six percent.

The rapid growth in the first half of the decade was partly due to starting from a low base, with less than a quarter of the population having a [mobile](#) subscription in 2010.

Another factor limiting future growth is the "weak business case for rural network rollout" where the income from remote communities makes it difficult to justify the high investment costs, the study says.

"Future progress will depend on governments working with the industry to provide a regulatory environment that encourages investment and innovation," said Sinclair.

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