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Youth population drives strong mobile subscriber growth

Sub-Saharan Africa will remain the world's fastest-growing mobile region over the coming years as millions of young African consumers become mobile users for the first time, according to a new GSMA study.



Source: pixabay.com

The study reveals that more than 160 million new unique mobile subscribers will be added across the region by 2025, bringing the total to 623 million, representing around half of the region's population, up from 456 million (44%) in 2018.

Subscriber additions will be concentrated in high-growth markets such as Nigeria and Ethiopia, the report says."A new generation of youthful 'digital natives' across sub-Saharan Africa are set to fuel customer growth and drive adoption of new mobile services that are empowering lives and transforming businesses," said Akinwale Goodluck, head of Sub-Saharan Africa, GSMA.

"With mobile technology at the heart of Sub-Saharan Africa's digital journey, it is essential for policymakers in the region to implement policies and best practices that ensure sustainable growth in the mobile industry, and enable the transition to next-generation mobile networks."

The study calculates that the mobile ecosystem across sub-Saharan Africa generated almost \$150 billion in economic value last year – equivalent to 8.6% of the region's GDP. It is forecast to generate almost \$185 billion (9.1% of GDP) by 2023. The 2019 Sub-Saharan Africa edition of the GSMA's Mobile Economy report series is being published at the 'Mobile 360 – Africa' event being held in Kigali, Rwanda.

The new report also reveals that:

- Around 239 million people, equivalent to 23% of the region's population, use the mobile internet on a regular basis.
- Smartphones accounted for 39% of mobile connections in sub-Saharan Africa in 2018, forecast to increase to twothirds of connections by 2025.
- 3G will overtake 2G to become the leading mobile technology in sub-Saharan Africa this year.
- 4G will account for almost one in four connections by 2025. However, 4G uptake is being dampened in some markets by the high cost of 4G devices and delays in assigning 4G spectrum.
- The region's mobile operators are increasing investment in their networks and are expected to spend \$60 billion (Capex) on network infrastructure and services between 2018 and 2025 – almost a fifth of this total being invested in new 5G networks.
- Sub-Saharan Africa's mobile ecosystem supports around 3.5 million jobs, directly and indirectly, and last year contributed almost \$15.6 billion to the funding of the public sector through consumer and operator taxes.

The report <u>'The Mobile Economy, Sub-Saharan Africa 2019</u>' is available for download.

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