Connecting the next billion:

which role for Africa?

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Catalyst for the development of the South African ICT industry

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CEO

Some of the SACF Members:

DNS Africa Market Study

Study commissioned by ICANN on DNS market in Africa

- A study on business feasibility of growing the DNS industry in Africa
- Platform to develop an observatory to develop new indices for DNS industry growth in Africa
- Questionnaires for available at https://dnsafrica.study/

Connecting the next billion, which role for Africa?
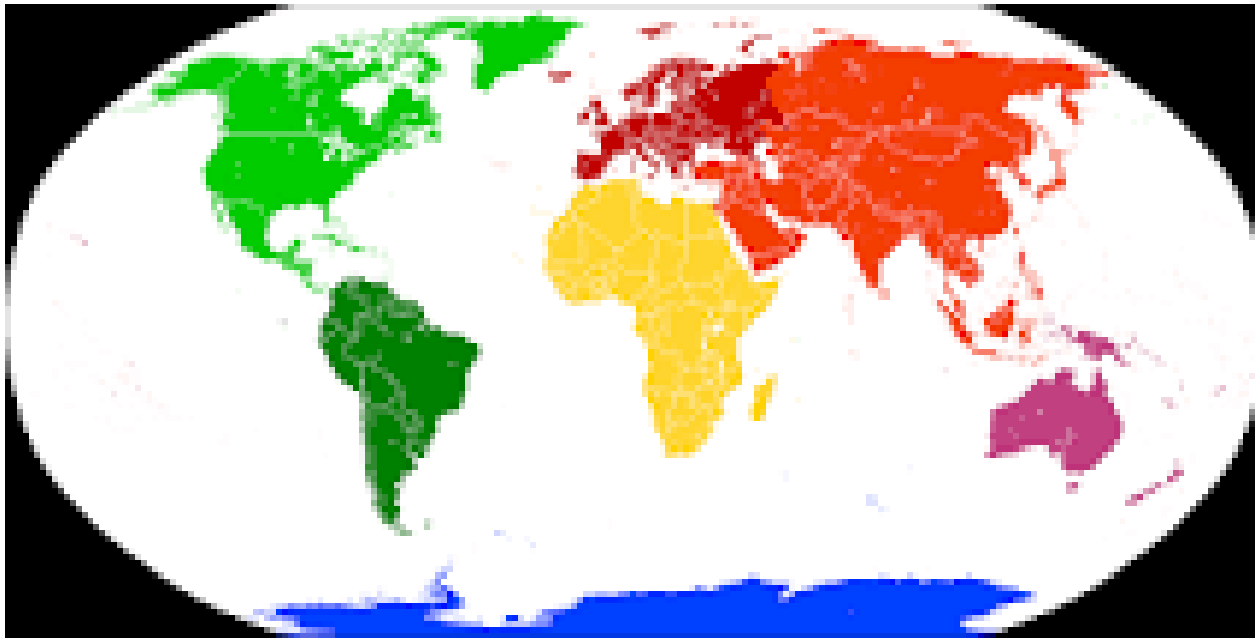
Continental perspective

African Internet traffic forecast to explode.

In 2020, four years from now, Internet traffic in Africa and the Middle East will be equivalent to 527 times the volume of the entire Internet in the region in 2005.

- **African Internet traffic will grow six-fold between now and 2020 and video services and content will continue to be the dominant leader compared with all other applications.**

- **The world will reach three trillion Internet video minutes per month by 2020, which is five million years of video per month, or about one million video minutes every second.**

- **High-definition and ultra-high-definition Internet video will make up 82% of Internet video traffic by 2020, up from 53% in 2015.**

Source: Source: Cisco Visual Networking Index, for the period 2015 to 2020.

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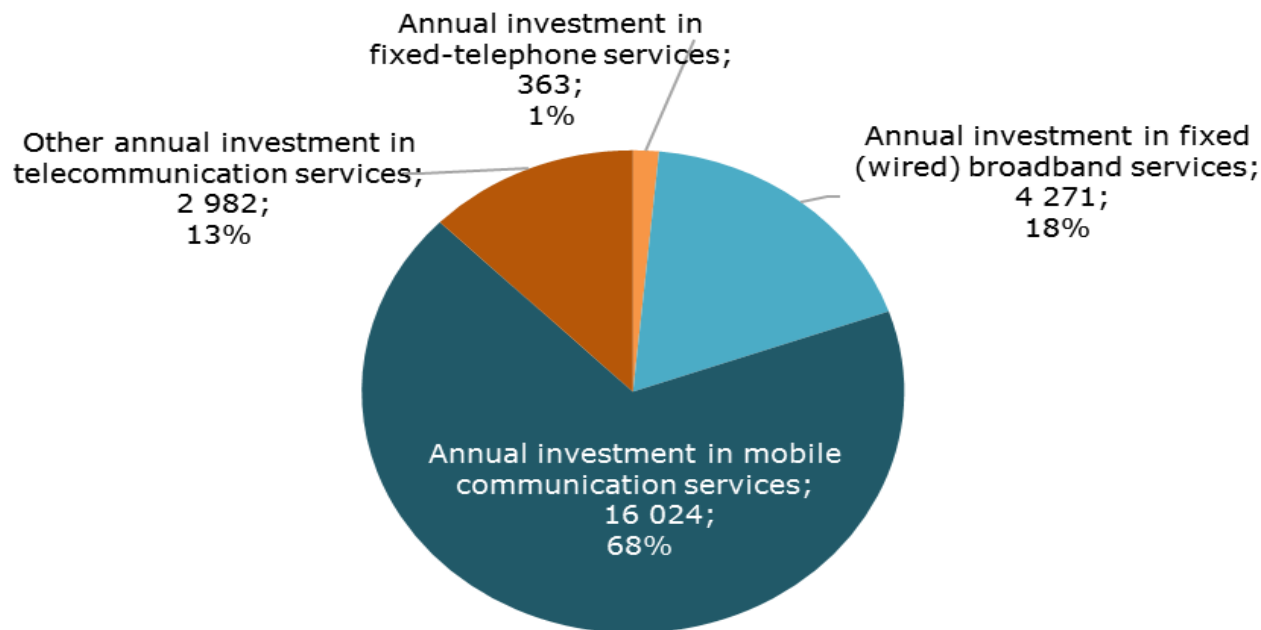FORUM

Contribution to the SA Economy

Employment in the ICT sector

According to StatsSA, the ICT sector employed 335 000 people in the 3rd quarter of 2015.

Telecommunication Investment

Total annual capital expenditure, for the 12-monthperiod ending 30th September 2015 in telecommunication services (including fixed, mobile and internet services) for acquiring or upgrading property and networks. Total annual investment in telecommunication services in South Africa was close to R24billion. Investment in mobile networks makes up 68% of the total.

 Source: ICASA report: State of the ICT Sector in South Africa, 15 March 2016

Pie chart showing:
- Annual investment in fixed-telephone services; 363; 1%
- Other annual investment in telecommunication services; 2 982; 13%
- Annual investment in fixed (wired) broadband services; 4 271; 18%
- Annual investment in mobile communication services; 16 024; 68%

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South Africa IP Traffic & Service Adoption Drivers

By 2020:

Momentum
Metrics

More Internet Users	2015	2020
	20 Million	39 Million

More Devices & Connections	2015	2020
	125 Million	184 Million

Faster Fixed Broadband Speeds	2015	2020
	3.7 Mbps	11.4 Mbps

More Video Viewing	2015	2020
	61% of Traffic	77% of Traffic

CISCO

Source: Cisco VNI Global IP Traffic Forecast, 2015–2020

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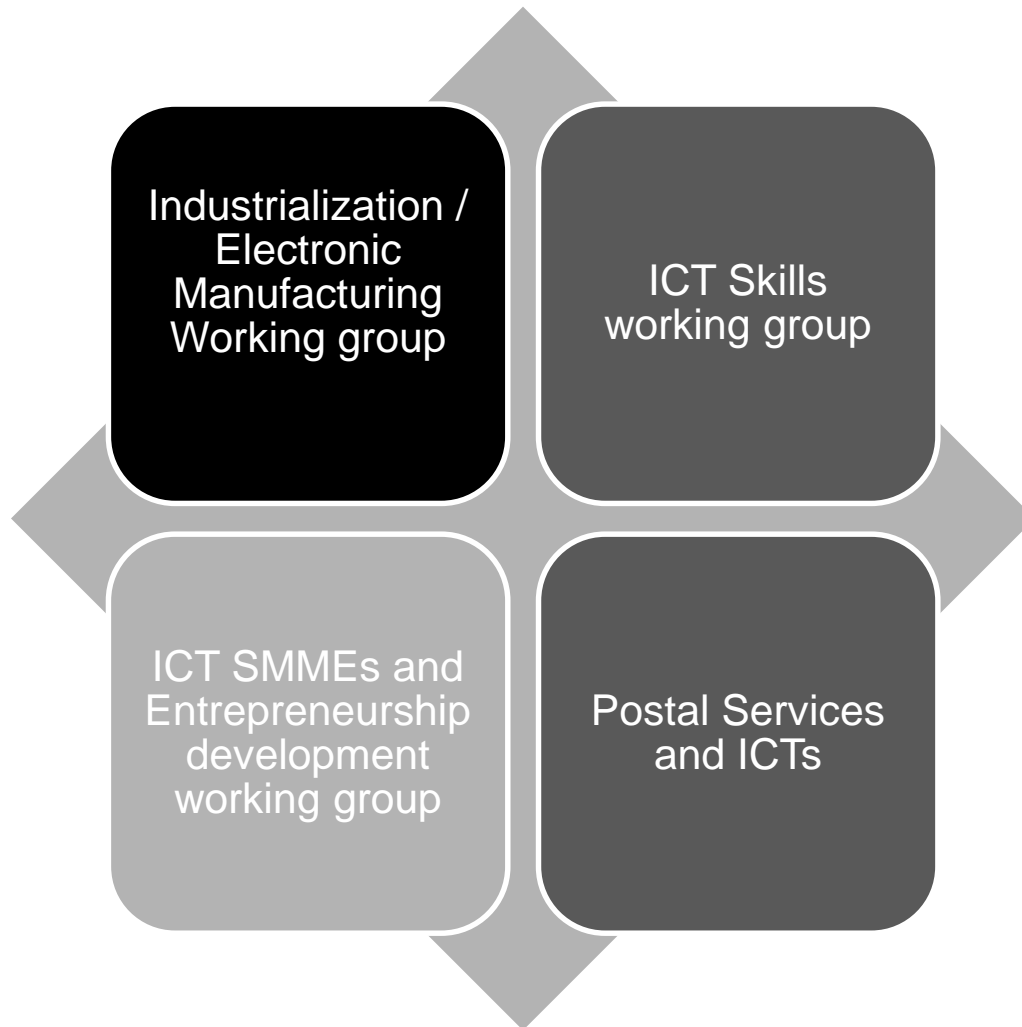
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SA Internet Access Market

According to PwC Annual Report on Entertainment and Media Outlook 2014 – 2019:

- **Internet Access in South Africa will generate more consumer spend than any other media product or service in the next five years**

- SA's total consumer spending will rise by more than R51 billion over the forecast period, from R73.1 billion in 2014 to **R124.2 billion in 2019.**

- The next five years will see a surge in smart devices, with smartphone connections more than doubling from 22.8 million in 2014 to 52.3 million in 2019.

- Mobile Internet penetration, meanwhile, will have risen more than 32 percentage points from 2014 to 2019, **reaching 69.1% through the use of SMART phones.**

- Mobile Internet access revenues are comfortably the majority of Internet access revenue, rising at a CAGR of 19.6% between 2014 and 2019 to reach a forecast R69.1 billion in 2019. Fixed broadband access revenues will increase at a CAGR of 10.8% over the same period to reach R7.1 billion in 2019.

- SA's total Entertainment & Marketing (E&M) advertising revenue will rise from **R39.7 billion in 2014 to R52.1 billion in 2019**

- Increasing affordability of mobile broadband devices will contribute to the growth of the internet market.

National ICT Forum
Economic Chamber

Industrialization / Electronic Manufacturing Working group

ICT Skills working group

ICT SMMEs and Entrepreneurship development working group

Postal Services and ICTs

Connecting the next billion, which role for Africa?

- The new century of Africa—which is synonymous with a century according life the dignity it deserves—is about to unfold

- Steve Biko: The power to humanize global society into a more caring community can be found in Africa, from its fount of wisdom and culture

- With the rise of the internet of things, the rise of the internet of humanity

Role for Africa: Cultural Industries

- Currently one of Nigeria's biggest exports is Creative industries products and Nollywood, produces more films a year than any other country except India. Over a million people are currently employed in the industry, making it the country's largest employer after agriculture.

- Local content on public Radio to 90% in South Africa; local television content boom expected with digital migration

- SA's NEMISA – training in broadcast engineering, graphic design and animation

- Empowering citizens to join digital economy

Connecting the next billion

Zenzeleni Networks Rural Project:

The other South Africa

- Low access to services (no tar roads, only 2.1% households connected to the grid)
- Low income (less than R600/month per person)
- Low level of education 13% of people with completed matric.

Constrained communications

•- 86.66% of use mobile phones

•- 22% of income on communications (people sacrifice on basic food)

•- 77 min calling time/month (40% of time without airtime)

•- 22% of Internet users (25-30MB/month)

Zenzeleni Networks Rural Project: "Do it by ourselves"

- Zenzeleni Networks Ltd is a locally-owned, not-for profit telecommunications cooperative
- a Mobile Virtual Network Operator targeting the economically disadvantaged communities in South Africa.
- Fully Licensed by ICASA

Purpose
- Reduce the Cost to Communicate
- Promotes Local content
- Provides Digital Skills
- ... Community-owned networks?

which is providing
- free internal calls and access to the local primary school, high school, users and business in the community and
- discounted rates to call mobile phones and landlines from a set of public phones spread in the community
- It connected via a network of WiFi access points.
- Provides GSM Cell phones charging stations deployed in the community

Inclusive Digital ICT Development

Recommendations made during the SA National Internet Governance Forum, on the 22 September 2016.

- Greater focus and emphasis on how marginalized communities can participate in the Information Society and Knowledge economy. The digital divide seems to be getting larger without focus on digital access to those who are not in urban and peri-urban areas.

- Need to ensure that access to broadband is not only available and also affordable. Government has a role in ensuring affordable access to broadband - a suggested model is PPP (Private Public Partnership)

- Essential to include, support and nurture youth inclusion in any transformation focus. The youth are not only future but are current leaders.

- In order to ensure that higher education institutions are producing the right skills that are relevant to industry and will enable graduates to be qualified for jobs there need to be greater collaboration of ICT industry and Education Sector on

  - Skills for Digital Economy and

  - Skills for Digital Knowledge Networks.

Ke a leboga   *Dankie*   *Ngiyathokoza*

Ke a leboha   *Thank you*

Siyabonga   *Ngiyabonga*

Inkomu   *Ndo livhuwa*   *Enkosi*

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