



Africa Telecoms Trends 2010

Executive Summary: Africa expects Internet revolution

15 September 2010:- Businesses across Africa are expecting a revolution in Internet access, technology and costs as a result of the rush of new undersea cables connecting the continent.

More than 90 per cent of business decision-makers across Africa are expecting prices to drop and competition to increase dramatically, according to the Telecoms Trends in Africa 2010 report, released today by World Wide Worx and Database 360.

The survey, conducted among 1100 Internet using small, medium and large businesses across 20 African countries, also revealed that most African countries remain heavily reliant on slow or expensive forms of connectivity, such as dial-up and satellite. However, they are beginning the move to broadband.

“Our interviewers encountered tremendous enthusiasm for the Internet in all countries we surveyed,” says Louise Robinson, CEO of Database 360. “There is little doubt that, in this new connectivity era, the very nature of most businesses is changing.”

Database 360 operates a call centre in Cape Town, from which the respondents were interviewed telephonically. The study was compiled and the data analysed by World Wide Worx, South Africa's leading independent technology research organisation.

“ADSL is fast becoming the standard form of business Internet access across Africa – more than 40 per cent of businesses in these 20 countries are using it,” says Arthur Goldstuck, MD of World Wide Worx. “However, we can see the limitations of existing infrastructure from the fact that satellite connectivity remains a key part of the mix.”

More than one in five respondents said they were using satellite connectivity, with a similar number planning to add it to their options.

“Satellite is the most expensive means you can possibly use to access the Internet,” says Goldstuck. The continued appetite for it tells us that, even though there is an expectation for better and cheaper connectivity, the reality on the ground remains one of limited infrastructure.

“Moreover, once businesses go online, the Internet becomes increasingly more vital to their survival, and having a backup form of access becomes increasingly more important.”

Countries like Mauritius, Ivory Coast and Namibia are already showing strong growth in ADSL usage by business, while Angolan businesses indicate the highest anticipated growth for this form of broadband.

Robinson adds: "It's amazing to see how the level of Internet usage shoots up wherever the new undersea cables have landed and fibre optic networks have linked the cables to urban centres. The East Africa countries, especially, are taking to social networking as a business tool to a greater extent than almost anywhere else in Africa."

The survey highlights Kenya and Uganda as the biggest African users of social networking for business. However, even landlocked countries that have recently seen major upgrades to their fibre optic networks, such as Botswana and Zambia, are also moving rapidly in this direction.

The study further explores the use of general Internet applications, e-mail on cellphones and the emergence of cloud computing in Africa.

Methodology

Technology market research specialists World Wide Worx and African database developers Database 360 conceived the African Telecommunications Outlook project in order to gain an understanding of both telecommunications usage and expectations across Africa's leading economies.

The sample frame was compiled from exhaustive research conducted by Database 360 into businesses across Africa. Those territories where it was feasible to compile a substantial database were included in the study. Random sampling was conducted within the database for each country, and businesses were contacted by telephone. Decision-makers in each of the businesses were asked to participate in the survey, and then interviewed telephonically

A total of 1182 telephonic interviews were undertaken across 23 different countries, targeting a cross section of different industries. This report is based on the consolidated view of all the 1182 responses. While many of the questions are fact-based, some are based on opinions.

For the 20 countries with meaningful response bases, separate reports have been prepared containing drill-down analysis of the findings per country. More details can be found at the end of this document.

Countries included in the full African survey

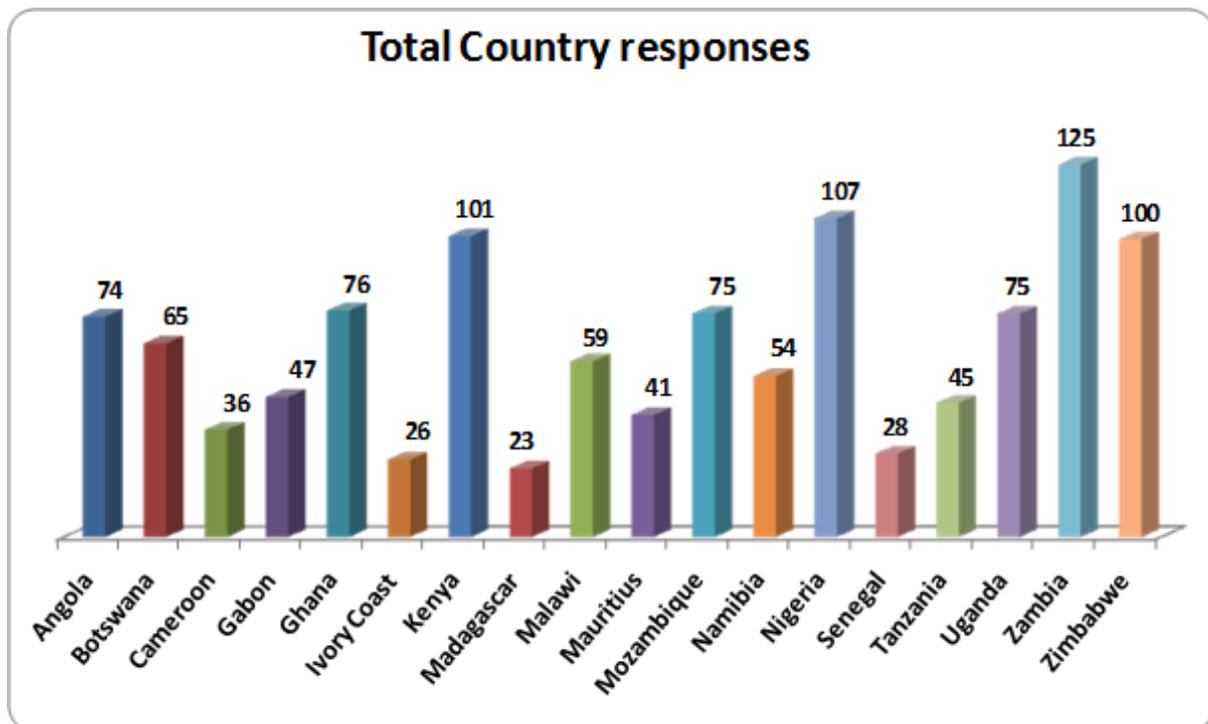
The following table contains a complete list of the countries surveyed and the number of respondents in each country:

Country	Count
Angola	74
Botswana	65
Cameroon	36
Congo	12
Ethiopia	7
Gabon	47
Gambia	1
Ghana	76
Ivory Coast	26
Kenya	101

Madagascar	23
Malawi	59
Mauritius	41
Mozambique	75
Namibia	54
Nigeria	107
Senegal	28
Sierra Leone	2
Swaziland	3
Tanzania	45
Uganda	75
Zambia	125
Zimbabwe	100

Countries with less than 20 responses were not included in individual country comparisons.

The response bases of the rest are graphically represented below:



There are five countries where the number of responses is below 1% of the total African responses. These are Congo, Ethiopia, Gambia, Sierra Leone and Swaziland. Although the data collected from these five countries is valid and has been included in the overall analyses, none of these countries have been individually analysed, nor any of their responses individually commented upon. The four countries with the highest number of responses, each with at least 100 responses, are Zambia, Nigeria, Zimbabwe and Kenya.

Industries included in the full Africa survey

The following table contains a complete list of the industries surveyed and the proportion of respondents in each industry:

Vertical Industry	% response
Aerospace	< 0.5%
Agriculture	2%
Automotive	3%
Banking	11%
Business Professional	4%
Chemicals	1%
Consultation Services	< 1%
Defence	< 0.5%
Education	2%
Engineering	4%
Financial Services	15%
Food Beverages	1%
General Services	< 0.5%
Government	5%
Healthcare	2%
Holding Companies	< 0.5%
Information Technology	14%
Legal	1%
Logistics	4%
Manufacturing	10%
Marketing Agencies	< 0.5%
Media Publishing	2%
Mining	2%
Non Profit	< 0.5%
Petroleum	2%
Property	< 0.5%
Retail	3%
Security Services	1%
Telecommunications	3%
Transportation	1%
Travel & Tourism	3%
Utilities & Energy	1%

There are several vertical industries where the number of responses is 1% or less. These are the aerospace, chemical, consultation services, defence, general services, food and beverages, holding companies, legal, marketing agencies, non-profit, property, security, transport and utilities industries.

While the responses from these industries have been included in the overall analyses, none of these vertical industries have been individually analysed, or commented upon.

For the sake of completeness, these industries with a small number of responses have been consolidated and are contained in "other".

The four vertical industries with the highest number of responses, each with over 10% of the total responses, include Financial, Information Systems, Banking and Manufacturing industry verticals.

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Obtaining the report

The full report is available at a cost of \$5,000 (single site license) excluding VAT from World Wide Worx.

To place an order, either request an order form to be mailed electronically, or send company name and address, VAT registration number, and name and e-mail address of person ordering and person who should be billed, to World Wide Worx by e-mail on sales@worldwideworx.com or by fax on (011) 782 7063. Please include a purchase order number where required. You can also contact World Wide Worx by phone on +27 (11) 782 7003.

Reports are supplied by e-mail in PDF format upon receipt of payment.

Country-specific reports

World Wide Worx and Database 360 has further analysed the above data for the 18 countries with meaningful response bases. For each of these, separate reports have been prepared containing drill-down analysis of the findings per country. These reports are available at a cost of \$1,200 per country. Reports on the following countries are available.

Angola
Botswana
Cameroon
Gabon
Ghana
Ivory Coast
Kenya
Madagascar
Malawi
Mauritius
Mozambique
Namibia
Nigeria
Senegal
Tanzania
Uganda
Zambia
Zimbabwe

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