

Mobile phone users in Nigeria, South Africa, Kenya hit 700 million

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The profile of mobile phone subscriptions in Africa, especially the sub-Saharan (SSA) region has increased tremendously. According to reports, mobile phone subscriptions are now almost eight times higher in Africa than in 2000, reaching about 700 million.



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Indeed and as expected, Nigeria maintains the largest telecommunications market on the continent and has increased its mobile subscription base to over 150 million from a meagre of 400,000 lines in 2000 to the current status.

According to a report by the International Telecommunication Union (ITU), mobile technology has played a crucial role in promoting financial inclusion in SSA, where less than 20 per cent of households have access to formal financial services.

Mobile leapfrogs landlines

ITU noted that there are 10 times as many mobile phones as landlines in SSA, with 60 per cent of the population now have mobile phone coverage. It observed that mobile phone subscriptions increased by 49 per cent yearly between 2002 and 2007, as compared with 17 per cent per year in Europe in 2008.

The United Nations arm in charge of global telecommunications, said mobile telephony has brought new possibilities to the continent. It stressed that across urban-rural and rich-poor divides, mobile phones connect individuals to individuals, information, markets, and services.

ITU observed that while the telecommunications industry in the United States, Canada, and Europe invested in landlines before moving to mobile phone networks, the mobile phone has effectively leapfrogged the landline in Africa.

In addition, The East African noted that the liberalisation of the communications sector in many African countries has also enabled leading global telecommunications providers to expand their brands and compete for market share. Their strategies have included partnering with smaller manufacturers to develop more affordable mobile devices.

Mobile liberalisation

For instance, mobile phone banking services are especially prevalent in Kenya, with penetration rates also relatively high in Uganda and Tanzania. The other countries with high mobile money account penetration rates are the Ivory Coast, Zimbabwe, Botswana, Rwanda and South Africa.

Moreover, regulatory reforms and liberalisation have also benefited local mobile operators, with countries such as Ghana, Nigeria and Tanzania having more than five local operators. Growing competition for the mobile market has also led to a drop in the price of handsets - some smartphones retail for as little as \$25 - and the cost of broadband connections.

The report said sub-Saharan Africa's greatest development challenge is to move from an economic growth path based on commodity exports to a more sustainable industrial and services path. The mobile technology revolution can support and underpin this economic diversification.

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