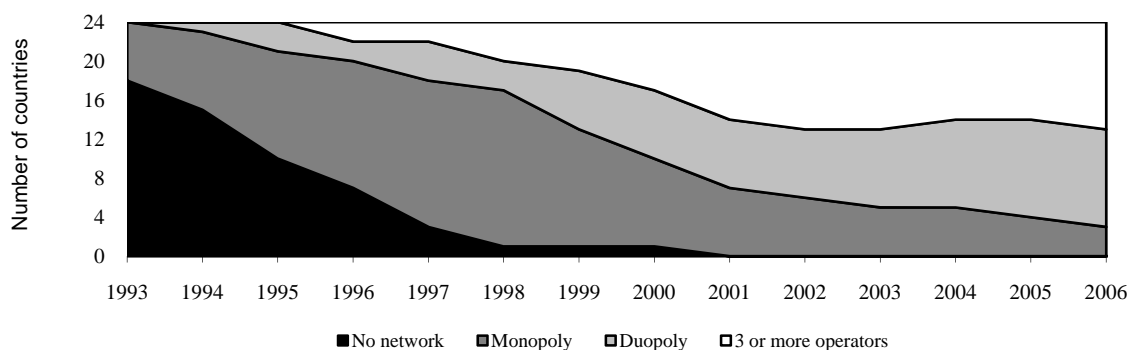


**Thanks to market liberalization leading to massive private investment in new mobile networks, Africa has undergone a major ICT revolution that boosted economic growth.**

**Due to remaining regulatory barriers, the mobile market has yet to reach its full potential. Looking beyond mobile, there are major challenges with fixed line and broadband services.**

- Over the period 1999 to 2006, the share of the African population living within range of a mobile signal mushroomed from barely 5 percent to around 60 percent.
- As a result, 180 million new mobile subscribers were added; almost all of them on prepaid telephones.
- The private sector invested a cumulative total of US\$28 billion in new mobile networks.
- About half of Africa's improved growth performance in the early 2000s was attributable to this wireless revolution: one extra percentage point of growth per person per year.
- Mobile signal coverage could profitably be expanded to cover over 95 percent of Africa's population (without any public subsidy) simply by reducing regulatory barriers.
- A monthly basket of prepaid mobile telephone services costs \$12 in Africa but only \$2 in South Asia.
- Further competition among mobile operators would help to drive prices down: most markets could support more than three operators but only half have reached that today.
- By contrast, growth in the number of fixed lines has stagnated in most countries and even turned negative in some; a substantial share of fixed line operators remain in public hands.
- Broadband service is still in its infancy due to limited availability of fiber optic infrastructure, regulatory hurdles are holding back network development.
- An international phone call within Africa costs significantly more than a call to the US.
- As countries hook-up to submarine cables the price of international communications can fall by as much as one half, as long as cable access is not monopolized by a single provider

Status of mobile competition in Africa



Source: Minges and others, 2008, AICD Background Paper No. 10