



MINISTRY  
COMMUNICATIONS AND DIGITAL TECHNOLOGIES  
REPUBLIC OF SOUTH AFRICA

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**ADDRESS BY MR PHILLY MAPULANE MP, DEPUTY MINISTER OF COMMUNICATIONS AND  
DIGITAL TECHNOLOGIES AT THE AFRICA FIBRE FORUM, CAPE TOWN,  
13 NOVEMBER 2023**

**Topic: *South Africa fibre strategy and broadband industry progress***

Thank you, Programme Director; John Omo, Secretary General of ATU

Ms Nonkqubela Jordan-Dyani, the Director General of DCDT Samuel Chen, President of Southern Africa Region CNBG, Huawei

Andile Ngcaba, President of Digital Council Africa

Juanita Clark, CEO of Digital Council Africa Distinguished guests

Ladies and gentlemen;

**Good Afternoon!**

## **INTRODUCTION**

Thank you for the invitation to share with you our policy perspectives and our practical initiatives particularly around the question of fibre and the progress we are making in broadband roll-out at this important gathering of continental and global leaders in the areas of digital technology.

Let me take this opportunity, on behalf of the government and the people of South Africa, to extend our warm welcome to our brothers and sisters from across the African continent and indeed from across the globe joining us here in Cape Town. This beautiful City, which we affectionately call the Mother City, offers diverse options for the visitors. It has some of the iconic and world-renowned places

to visit. I urge you during the course of your stay here, to take time out and explore this beautiful coastal gem in the southern tip of Africa.

## **WE ARE MAKING STEADY PROGRESS: CENSUS 2022**

In 2022, Statistics South Africa conducted a country-wide Census which was the **first digital** Census conducted in the country, thus confirming that we are living the digital era. The results of the Census which were released last month in October 2023, reveal very interesting patterns that must inform and guide our planning and policy interventions as government as well as execution and deliberate investment as the general ICT sector.

On the ICT front, predictably the results indicated that generally there has been an upward trend in access to internet services over the period 2011 – 2022. According to the report, this is attributed to rapid advancement in telecommunication infrastructure and availability of devices. Overall, households with no access to internet decreased threefold (from 64,8% in 2011 to 21,1% in 2022). While this is a commendable advance, 21,1% in a population of 62 million is a substantial figure, hence our drive to exceed the goal we have set to ensure that 80% of the population has access to the internet by 2024. We want to leave no one behind. The digital divide cannot be allowed to characterise our communities like our painful history of racial segregation. Ours is to seek to forge an inclusive society where the dreams and aspirations of children in deep rural villages are as important as those of children in upmarket urban suburbs.

Another important observation from Census is that there is an increase in the percentage of households accessing internet mainly at home from 8,6% in 2011 to 13,3% in 2022 and a welcome 4% decrease in households accessing internet mainly at work from 4,7% in 2011 to 0,3% in 2022. The urban-rural divide is however a matter of concern. The provincial variations in households without internet access of up to 34,3% in predominantly rural provinces such as the Eastern Cape compared to 13,6% in predominantly urban provinces such as Gauteng demonstrates a skewed distribution of this important service.

Fibre has been utilised in South Africa since a couple of decades back, but it has only recently become more accessible to consumers due to an increase in companies providing the service to consumers and the increasing demand for faster Internet.

The World Economic Forum recently (21 September 2023) published an article on global digital quality of life. A concerning observation in it is that Africa has the slowest internet speeds globally, 195% slower than Europe's average for mobile internet speeds and 418% slower than Europe's fixed

internet speeds. Investment in fibre is our best bet at turning the situation around. This means that fibre providers need to partner and collaborate strategically with both the public and private sectors, not only in terms of fibre infrastructure rollout, but for the greater good of our industries and the country.

## **SA CONNECT**

Bridging the digital divide is at the heart of our programmes to bring about fundamental social and economic change.

One of our flagship project in which we intend to increase broadband penetration and connectivity in South Africa is SA Connect project. SA Connect is our national broadband policy which seeks to meet the technology goals of the National Development Plan of creating an inclusive information society and position the government to play an enabling role in the provision of broadband to underserved areas.

Part of the reason why this policy was conceived was an observation at the time that the last mile fibre is concentrated in urban areas, with most providers addressing affluent urban communities. The outcome of this commercially driven approach to fibre rollout is that firstly multiple, uncoordinated networks are created, potentially resulting in fibre overbuild and duplication on commercially viable routes; and secondly the perpetuation of the digital divide with the rural areas being left unconnected. Furthermore, where last mile infrastructure exists, open access principles are not applied resulting in less choice of services for consumers.

Hence the conception of SA Connect,

This morning at the Ministerial Forum, I shared a story of Yamkela Mgugudo, an entrepreneur in Mount Ayliff in the Alfred Nzo District, a district declared the poorest district in South Africa, located in the Eastern Cape province, who experienced significant growth in his business after being connected to the internet by Lockshin Wi-Fi, a local ISP participating in the rollout of SA Connect project. Through our State-Owned Entities of Broadband Infraco and Sentech, we are providing core access network and last mile infrastructure to enable broadband connectivity for the community Wi-Fi hotspots that will connect approximately 5,6 million households across the country. This is not the story that I read about in the reports from the officials of the department, but it's the story I experienced and felt when, together with Minister Gungubele we visited Mount Ayliff to launch SA Connect phase 2 last Saturday the 04<sup>th</sup> of November 2023. We are connecting the unconnected and changing people's lives.

## **DIGITAL INFRASTRUCTURE ROLL-OUT**

Digital infrastructure, in particular the fibre networks, is essential to support the digital economy and to harness opportunities offered by the emerging technologies and innovations. Universal, high quality, affordable and inclusive connectivity is dependent on extensive deployment and use of fibre networks.

Investment in terrestrial fibre is on the rise. It is driven in part by the increase in international subsea capacity. Additionally, wider deployment of advanced 4G/5G mobile technologies underpinning broadband rollout, the increased need to support remote working practices accelerated by the COVID-19 pandemic, and the growing migration of services and applications into the cloud all demand further investment in terrestrial fibre infrastructure.

This development is happening across Africa. For example, the African Development Bank (AfDB) is facilitating the development of internet infrastructure that includes backbone fibre projects and has pledged a 55 billion US dollar investment into this as part of the Connect Africa initiative. The understanding and goal behind this is that expanding access to fibre internet will create economic growth and inclusive development in African countries.

A good case study can be found in Singapore, where fibre infrastructure development and connectivity availability is already leaps and bounds ahead of western counterparts.

Closer to home, access to high-speed broadband is breaking down South Africa's digital divide, creating opportunities for people living in outlying, emerging and previously disadvantaged areas. We're seeing more of our youth develop digital literacy skills that boost their employability. Entrepreneurs can tap into e-commerce opportunities and grow their businesses, and local economies are beginning to thrive as a result.

- **African context**

According to Hamilton Research (which is a Global market research and intelligence consultancy), Africa's total inventory of operational terrestrial fibre- optic network reached 1,184,028km by June 2022, compared to 820,397km in 2017 and 412,729km in 2012. In addition, there was in June 2022 a further 119,062km of fibre optic network under construction.

The International Finance Corporation estimates that Africa still needs 500,000 km of fibre cable to achieve full connectivity— that's \$15 billion because it is estimated that 1 km of fibre costs approximately \$30,000.

- **SA Context**

In the South African context, South Africa's terrestrial fibre routes are in excess of 200 000 km. Through Phase 2 of SA Connect programme, additional 1160 km of terrestrial fibre is planned to be deployed as part of expanding our core network and last mile infrastructure to connect approximately 5,6 million households across the country.

According to ICASA's State of ICT report, 2023:

- Fibre-to-the- home/building internet subscriptions increased from 1 278 728 (in 2018) to 1 365 429 (in 2022)
- Whilst the national population coverage for 3G stood at 100% and 4G/LTE at 98% in 2022, 5G population coverage increased from 7.5% in 2021 to 20% in 2022.
- The fixed broadband speed ranking for South Africa has progressed from 100th place in 2021 to 95th in 2022 (out of 180 countries). The mobile broadband ranking has also progressed from 61st place in 2021 to 58th in 2022 (out of 137 countries).
- Mobile devices are also the most used means of accessing the Internet by households in rural areas at 59.2%.

## **RAPID DEPLOYMENT POLICY**

The delays in the processing of applications for approvals to deploy electronic communications facilities and the streamlining of wayleaves approvals has been identified as one of the major bottlenecks in the rollout of digital infrastructure in South Africa. Last year September 2022 when I was addressing the Digital Infrastructure Summit organised by Digital Council Africa, we announced that following the signing of the memorandum of understanding between our Department and the Department of Co-operative Governance and Traditional Affairs (COGTA) in July 2020, the Minister of Cooperative Governance and Traditional Affairs published the Standard Draft By-laws for the Deployment of Electronic Communications and Facilities for public comment on the 19 September 2022 and with submissions due on 28 October 2022. This process has since been finalised and the Standard By-Law has been Gazetted by COGTA.

In addition to the Standard By-laws, the Department has finalised the Rapid Development policy for the rapid deployment and provisioning of electronic communications facilities in order to support the

rollout of digital infrastructure in the country. The policy objective is to provide a process that must be followed by a licensee to access property to deploy electronic communications networks and facilities including the rights of property owners and any other person whose rights or legitimate expectations may be materially and adversely affected in this regard.

This was led by Operation Vulindlela, an initiative driven by the Presidency in collaboration with National Treasury whose objective is to accelerate the implementation of structural reforms in the economy.

## **FIBRE STRATEGY TO STIMULATE BROADBAND CONNECTIVITY**

At this point, I wish to offer some ideas for discussion and consideration in our fibre strategy to stimulate broadband connectivity.

1. Government has resolved to rationalise its State-Owned Companies to improve service delivery and operational efficiencies. The first phase will see the merger of Broadband Infracore (BBI) with Sentech Limited to form one company with the capabilities of backhaul fibre as well as access infrastructure. To enable the merged company to achieve its objectives will require for it be able to reach the economies of scale necessary to be competitive and succeed in delivering broadband connectivity to underserved South Africans and to government. In our view, there is a justification for the consolidation of the fibre assets of other State-owned companies as the next phase. There are other state-owned companies that have aerial fibre like Eskom and Transnet as well as SANRAL that contains trenched fibre along the South African highways.
2. We are working on strategies and mechanisms that will ensure this fibre infrastructure is consolidated to the benefit of achieving the above-mentioned objectives.
3. We should discourage the fibre infrastructure companies from duplicating the available fibre infrastructure and rather building in areas where there is no infrastructure.
4. We should encourage fibre infrastructure companies to coordinate and build future fibre infrastructure in partnerships i.e. Either through Public Private Partnerships where possible or partnering among the private companies themselves.

## **CONCLUSION**

I wish to conclude by echoing a call for infrastructure sharing. It is common cause that the deployment of digital infrastructure is capital intensive with risks to the return on investment (ROI) hence the slow penetration of rural and sparsely populated areas.

Through infrastructure sharing by private and public sector stakeholders, we can drive down capital and operational expenditure and encourage the deployment of networks in rural and sparsely populated areas and thus leaving no one behind.

We encourage service-based competition driven by innovation and ingenuity rather than infrastructure-based competition among ICT players. This open access principle will encourage new entrants in the downstream retail market who will come in without having to incur the huge costs associated with building their own infrastructure.

There is indeed a lot to learn from each other. Let us therefore engage, network and ensure wide crosspollination of ideas.

I thank you!

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**Issued by the Department of Communications and Digital Technologies**