

Definitive data and analysis for the mobile industry

# Mobile Economic Impact South Africa

January 2019



The GSMA represents the interests of mobile operators worldwide, uniting more than 750 operators with nearly 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces the industry-leading MWC events held annually in Barcelona, Los Angeles and Shanghai, as well as the Mobile 360 Series of regional conferences.

For more information, please visit the GSMA corporate website at [www.gsma.com](http://www.gsma.com)

Follow the GSMA on Twitter: [@GSMA](https://twitter.com/GSMA)

---

#### Author

**Xavier Pedros**  
Senior Economist

## GSMA™ Intelligence

GSMA Intelligence is the definitive source of global mobile operator data, analysis and forecasts, and publisher of authoritative industry reports and research. Our data covers every operator group, network and MVNO in every country worldwide – from Afghanistan to Zimbabwe. It is the most accurate and complete set of industry metrics available, comprising tens of millions of individual data points, updated daily.

GSMA Intelligence is relied on by leading operators, vendors, regulators, financial institutions and third-party industry players, to support strategic decision-making and long-term investment planning. The data is used as an industry reference point and is frequently cited by the media and by the industry itself.

Our team of analysts and experts produce regular thought-leading research reports across a range of industry topics.

[www.gsmaintelligence.com](http://www.gsmaintelligence.com)

[info@gsmaintelligence.com](mailto:info@gsmaintelligence.com)

## Summary



### Total impact

In 2018 the mobile ecosystem generated **7.6% of GDP** or \$28.5 billion in value added.

The economic impact is expected to increase in the next five years, primarily due to increased take-up and usage of mobile internet.

The size of the content, apps and services part of the mobile ecosystem is expected to expand, meeting increased usage of mobile internet.



### Employment

Firms in the mobile ecosystem created almost **105,000 direct jobs** in 2018

Their activities also supported the indirect employment of over 205,000 people, bringing total job creation to 310,000.

This includes formal and informal employment, the latter being primarily associated to retail of mobile devices and services.



### Public funding

The contribution of the mobile ecosystem to public funding equalled **4.3% of government tax revenue** (or \$3.8 billion)

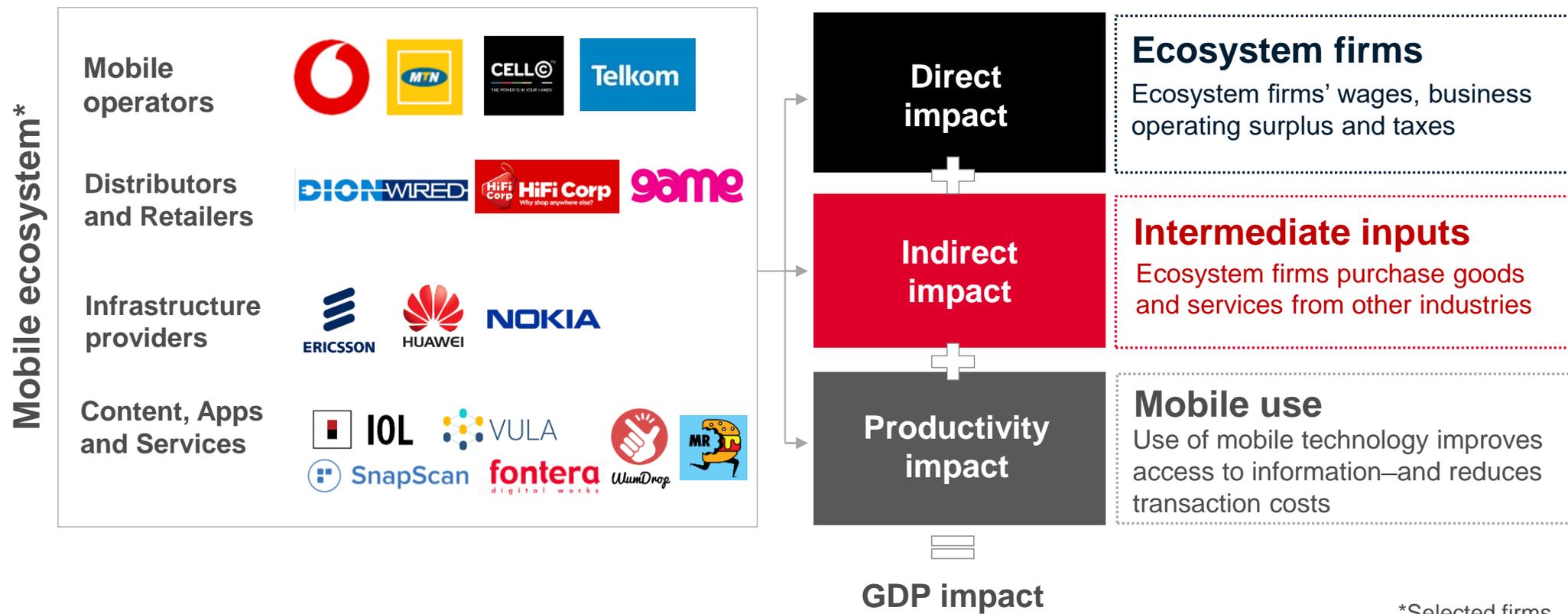
Almost half of the value-add directly created by the mobile industry translates into government taxes.

Most of these tax payments are in the form of general taxation.

## Economic impact of South Africa's mobile ecosystem in 2018

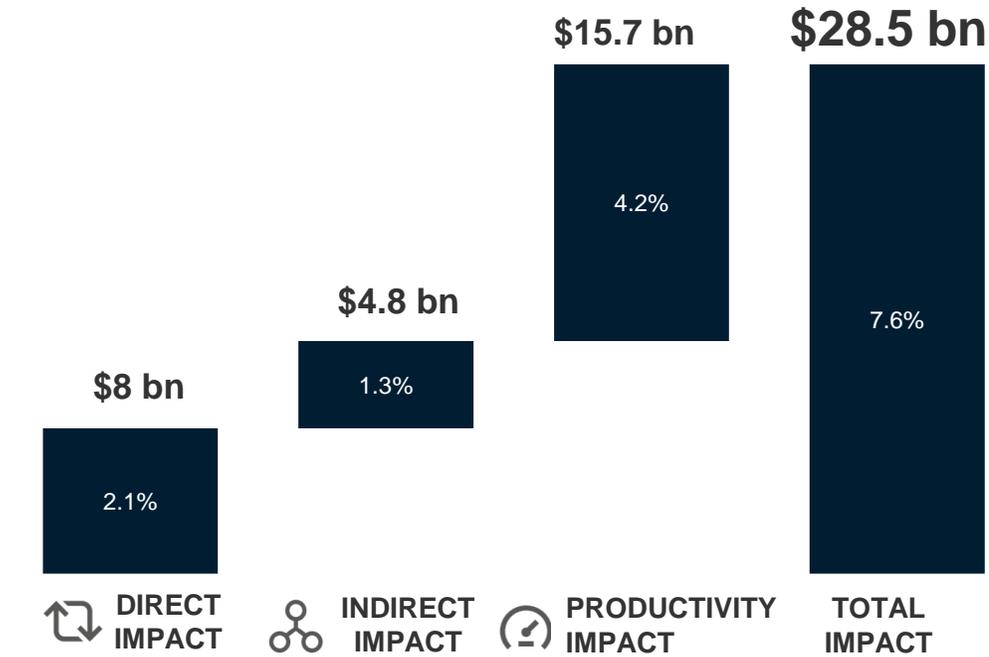
### The mobile industry makes an important contribution to the South African economy

The economic value generated by the mobile ecosystem is through its direct, indirect and productivity impact



# Economic impact of South Africa's mobile ecosystem in 2018

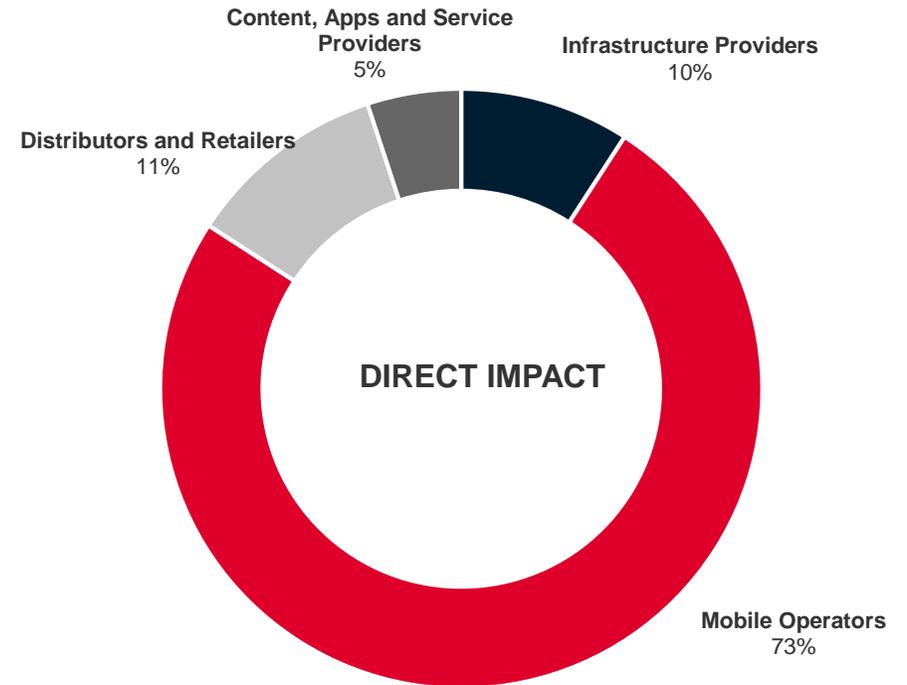
## 1. Total contribution to GDP



Ecosystem firms value added: wages, taxes and business surplus

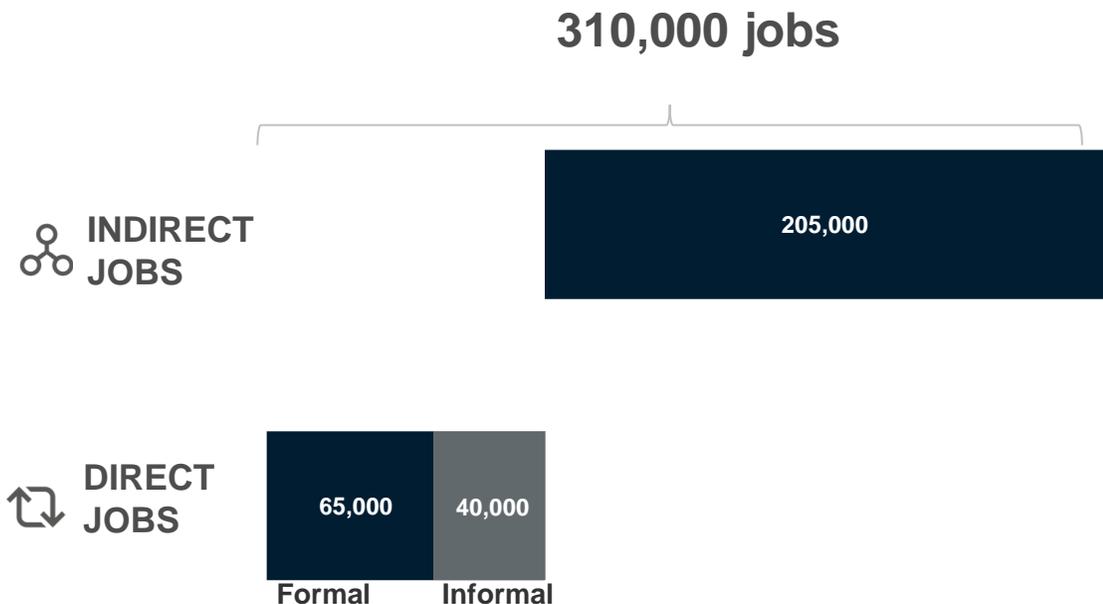
Knock-on effect in sectors providing input into the supply chain of mobile goods and services

Improved efficiency throughout the economy via the use of mobile technology



# Economic impact of South Africa's mobile ecosystem in 2018

## 2. Employment impact

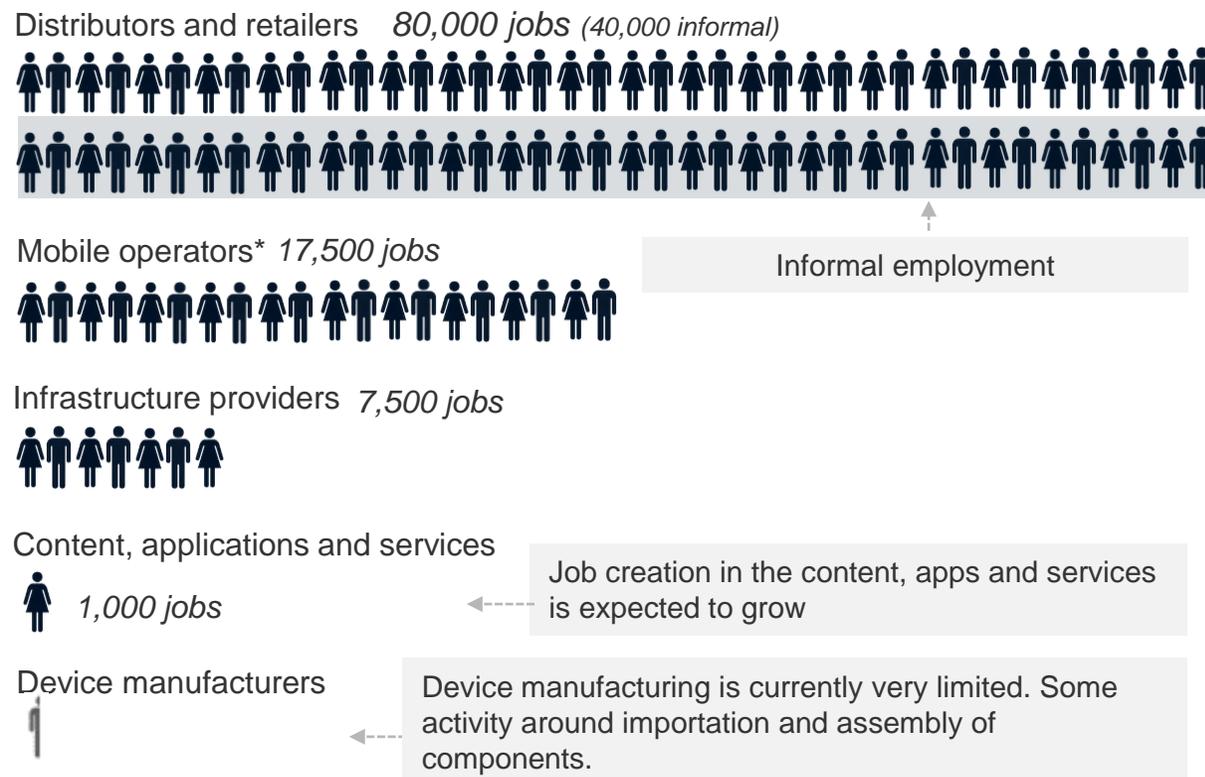


The Mobile ecosystem directly employed more than 30% of the employment it supported, with the remaining supported through the knock-on effect on the wider economy.

Informal employment is mainly driven by the Retail segment of the mobile ecosystem.

### DIRECT JOBS

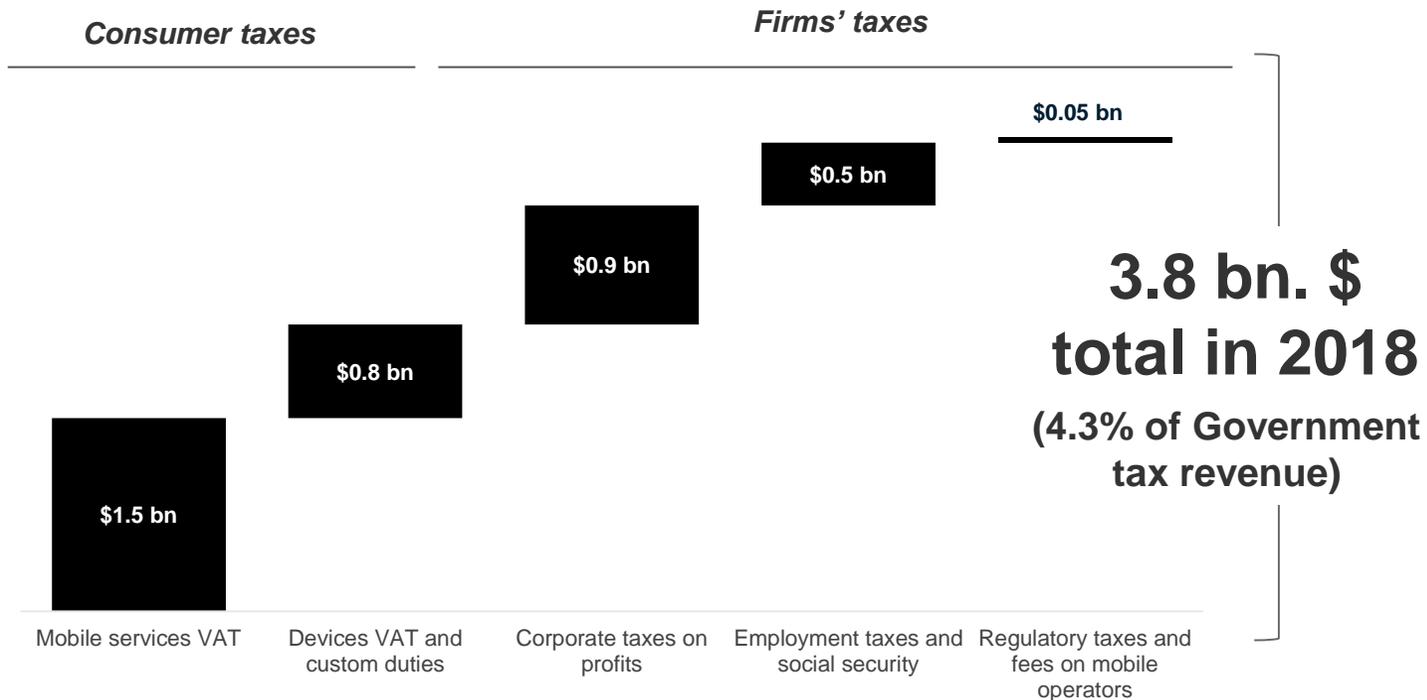
= 1,000 formal jobs = 1,000 informal formal jobs



\*Includes employment impact of fixed and mobile operations of MNOs. Source: GSMA Intelligence

## Economic impact of the mobile ecosystem in 2018

### 3. Contribution to public funding



- In 2018, total tax payments in the entire ecosystem accounted for 4.3% of government tax revenue.
- The tax contribution of \$3.8 billion means that **almost half of the value added directly created by the ecosystem is extra government revenue.**
- Most tax payments were general taxes, paid by consumers and firms across the mobile ecosystem – with VAT accounting for half of all contributions.
- Mobile operators pay sector-specific taxes, which apply on top of general taxes – in the form of regulatory taxes and fees.

## Economic impact of South Africa's mobile ecosystem in 2018

### 4. Forecast of the economic impact

	 Total impact	 Direct employment	 Indirect employment	 Public funding
2018	\$28.5 billion	105,000 direct jobs	205,000 indirect jobs	4.3% Government tax revenue \$3.8 billion
2023	\$30 billion	130,000 direct jobs	225,000 indirect jobs	4.8% Government tax revenue* \$ 4.3 billion

- Significant part of the increase in the total impact of the mobile ecosystem will be brought on by productivity gains, driven by increased take-up of mobile internet in general, and 4G especially.
- The increased impact will also be through an expansion of the mobile ecosystem - particularly in Content and Services, meeting increased usage of mobile internet

---

[gsmaintelligence.com](https://gsmaintelligence.com)

---

@GSMAi

