

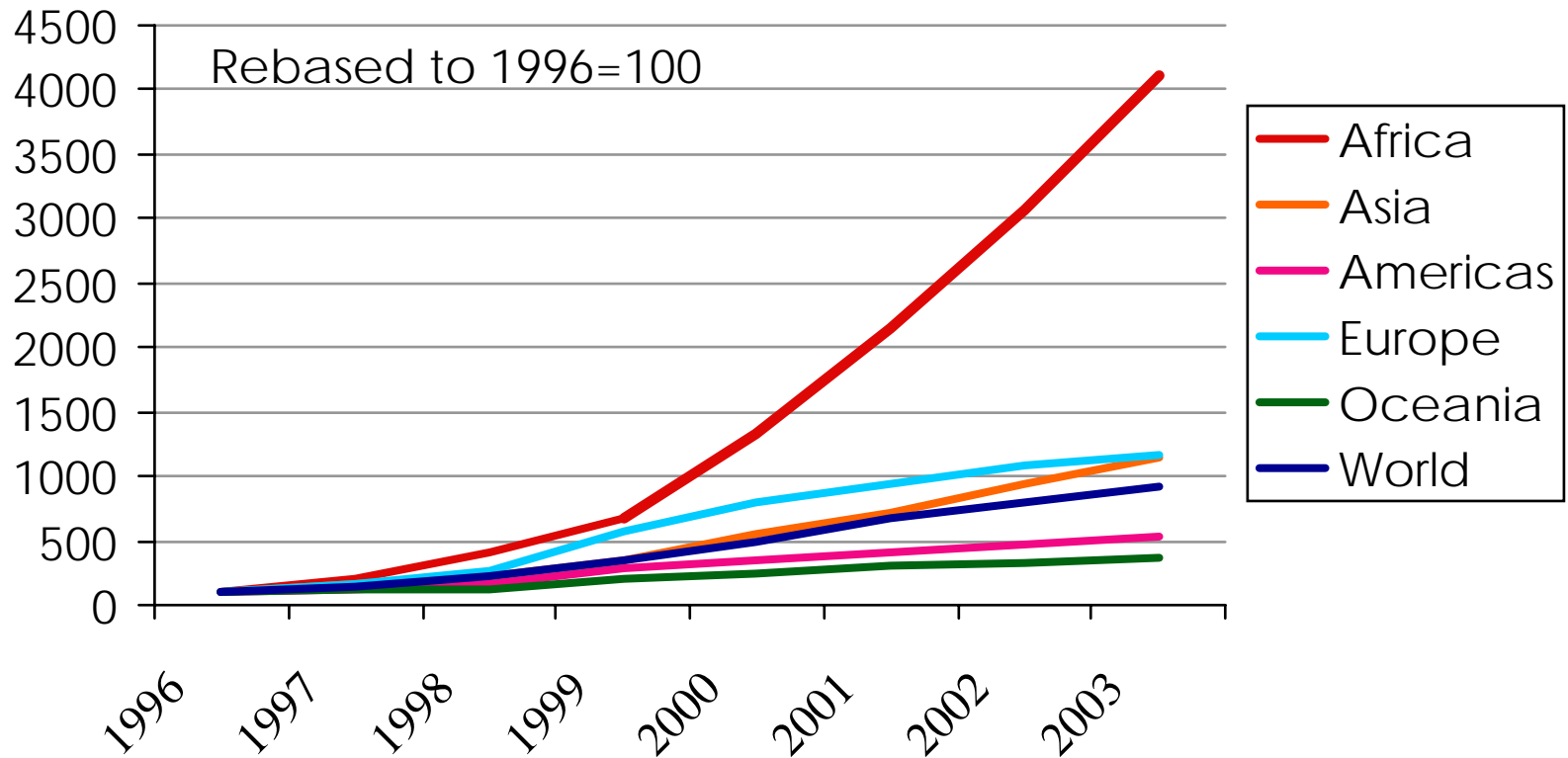
The Socio-Economic Impact of Mobiles in Africa



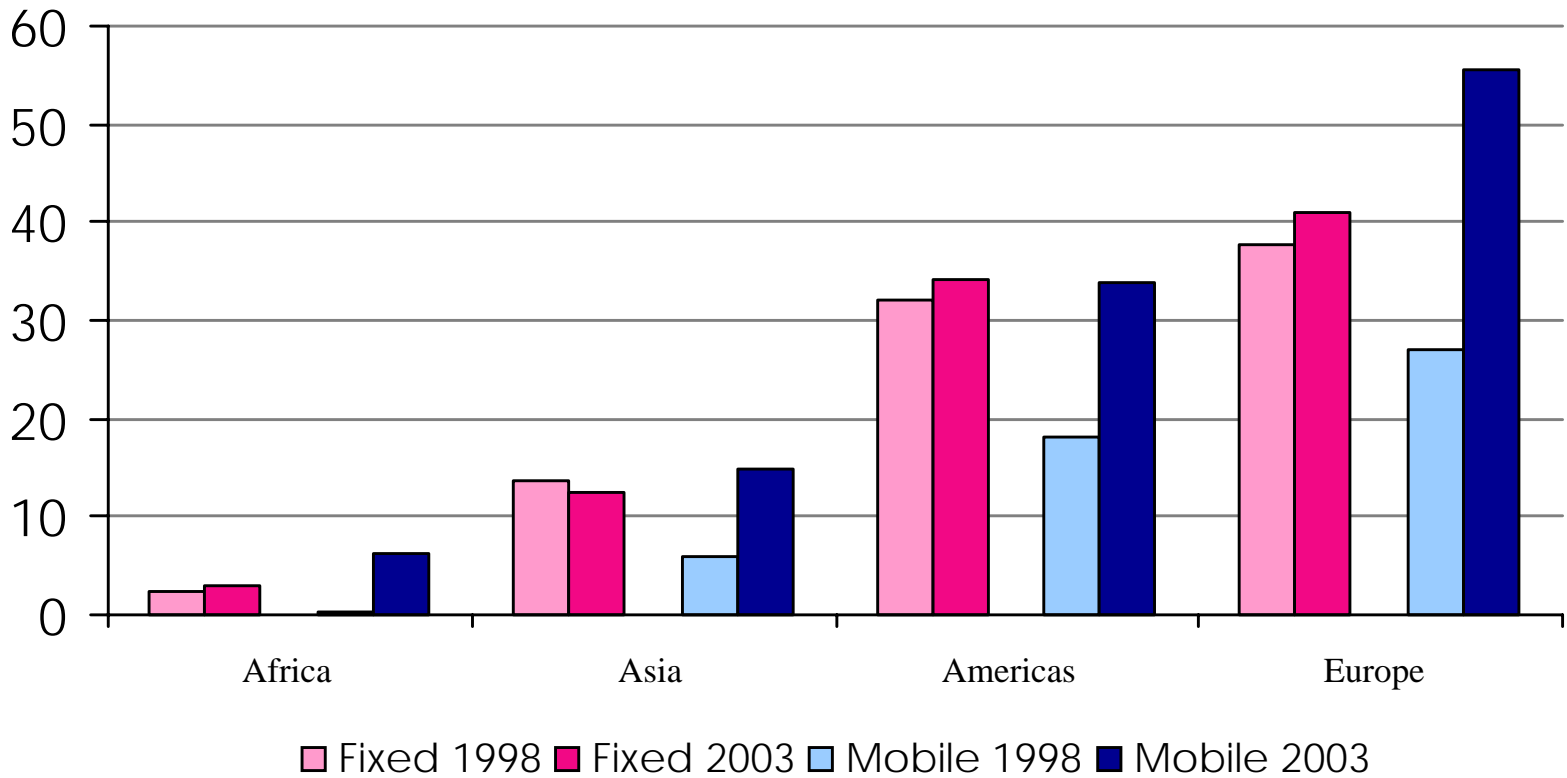
<http://www.vodafone.com/africa>

Mobile penetration per 100 people, major regions

Source: ITU

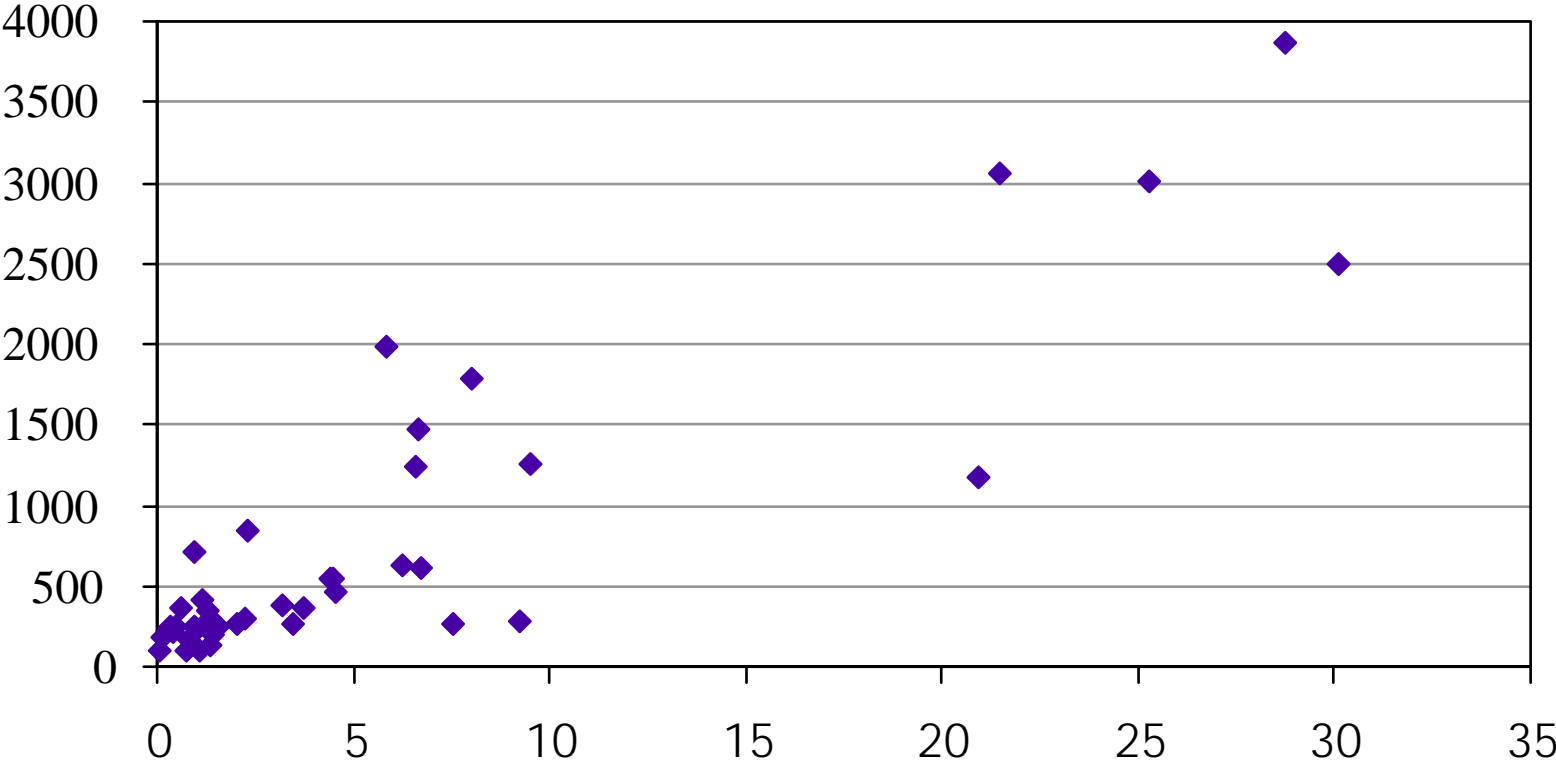


Mobiles and fixed lines per 100 people, 1998 and 2003



Mobiles/100 and GNI/capita, 2002

41 African countries, \$PPP





vodacom

vodacom
Phone Shop

Public
Cellular Phones
vodacom

HR CU 0201 093

Country	Date of 1st mobile licence	Date of 1st competing private licence	State - owned mobile operator?	Mobiles/ 100 population
Morocco	1987	1994	Y*	24.3
S Africa	1986	1994	N	36.4
Mauritius	1989	1996	N	37.9
Egypt	1987	1998	N	8.2
Senegal	1992	1998	Y	7.6
Uganda	1995	1998	Y	3.0
Benin	1995	2000	N	3.4
Algeria	1989	2001	Y	4.6
Nigeria	1992	2001	Y	2.6
Tunisia	1985	2002	Y	18.6

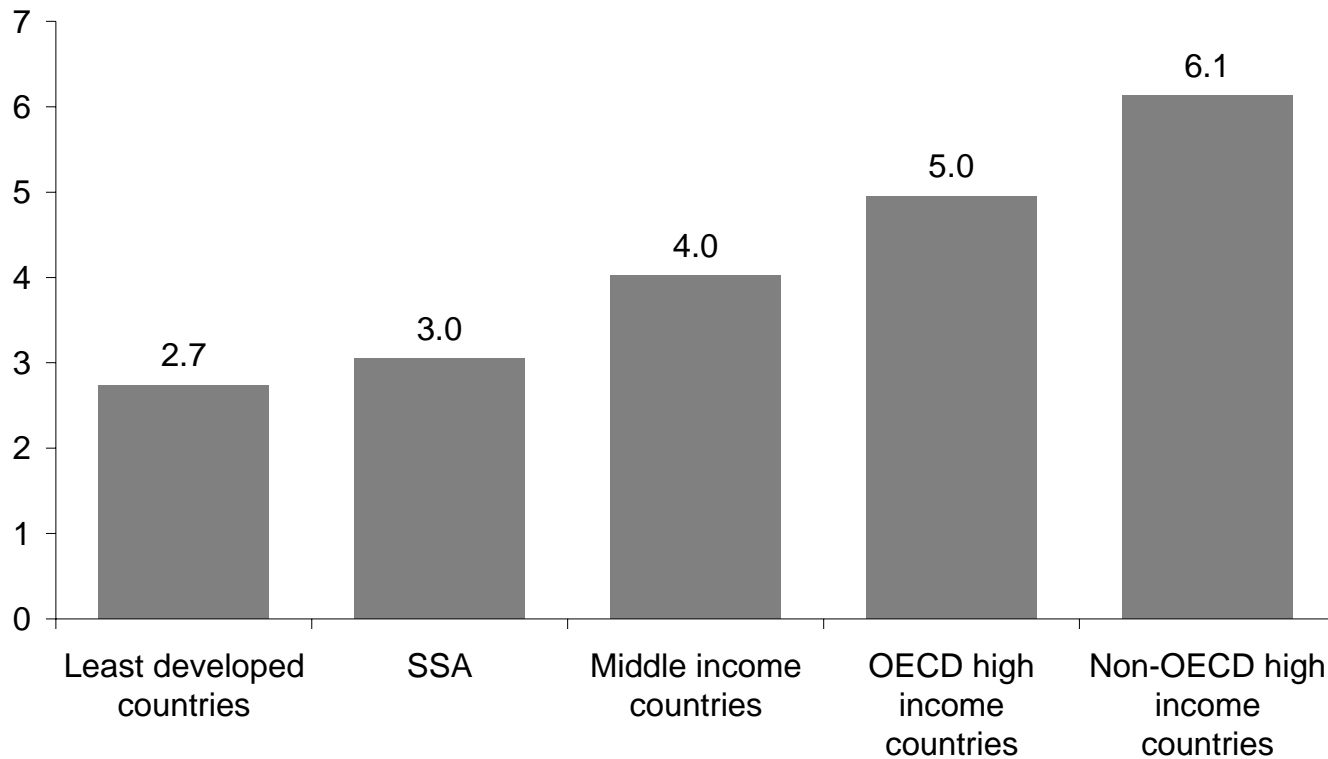
*following an agreement made in November 2004, Vivendi Universal has acquired a stake in Maroc Telecom

The four studies

- Impact of mobiles on growth
- Links between mobile networks and FDI
- Community and small business surveys: characteristics of mobile users and impacts of mobile
- Community surveys: mobile use and social capital

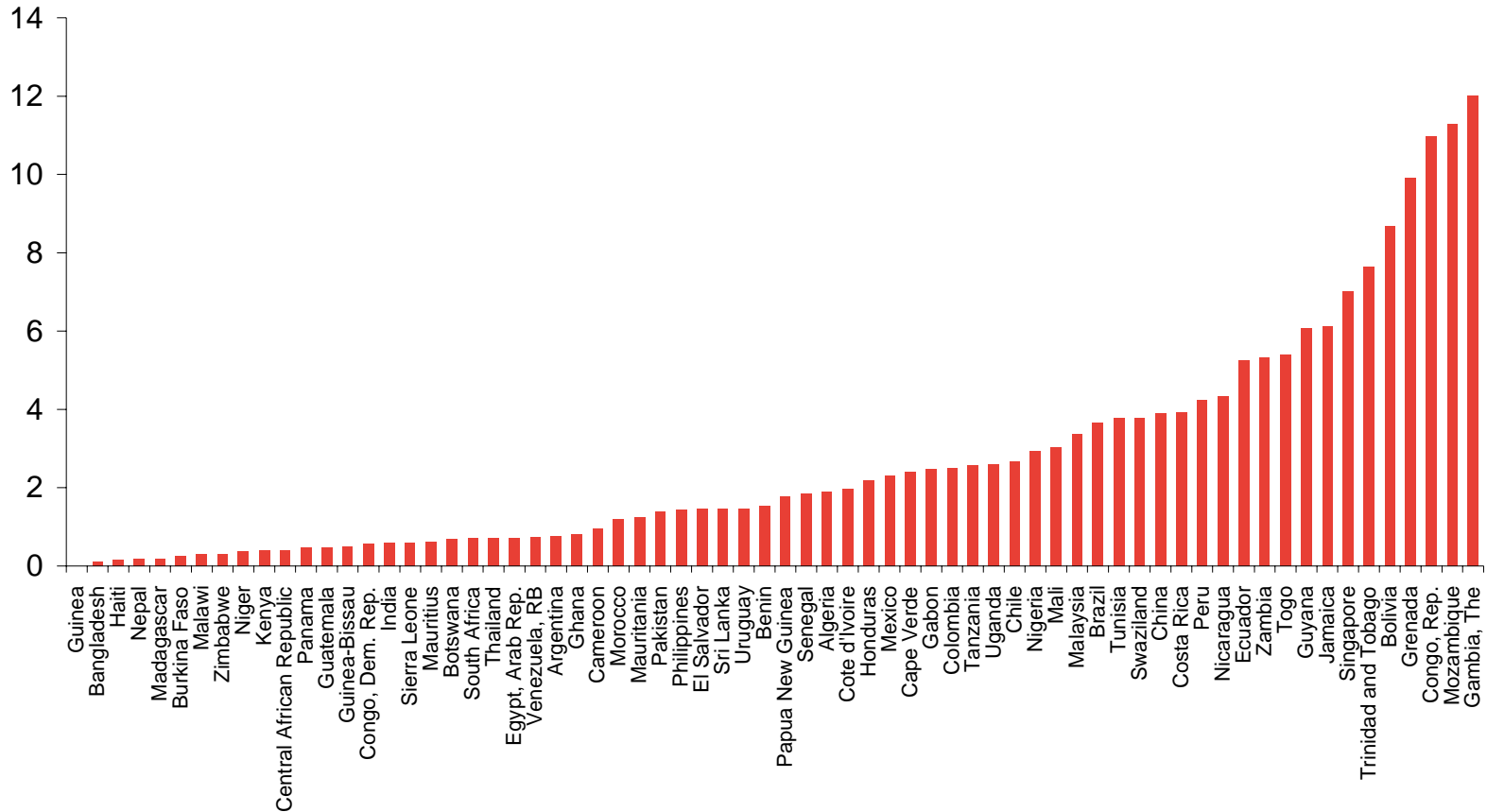
High-income countries attract more FDI than low-income countries...

FDI, % GDP 2002



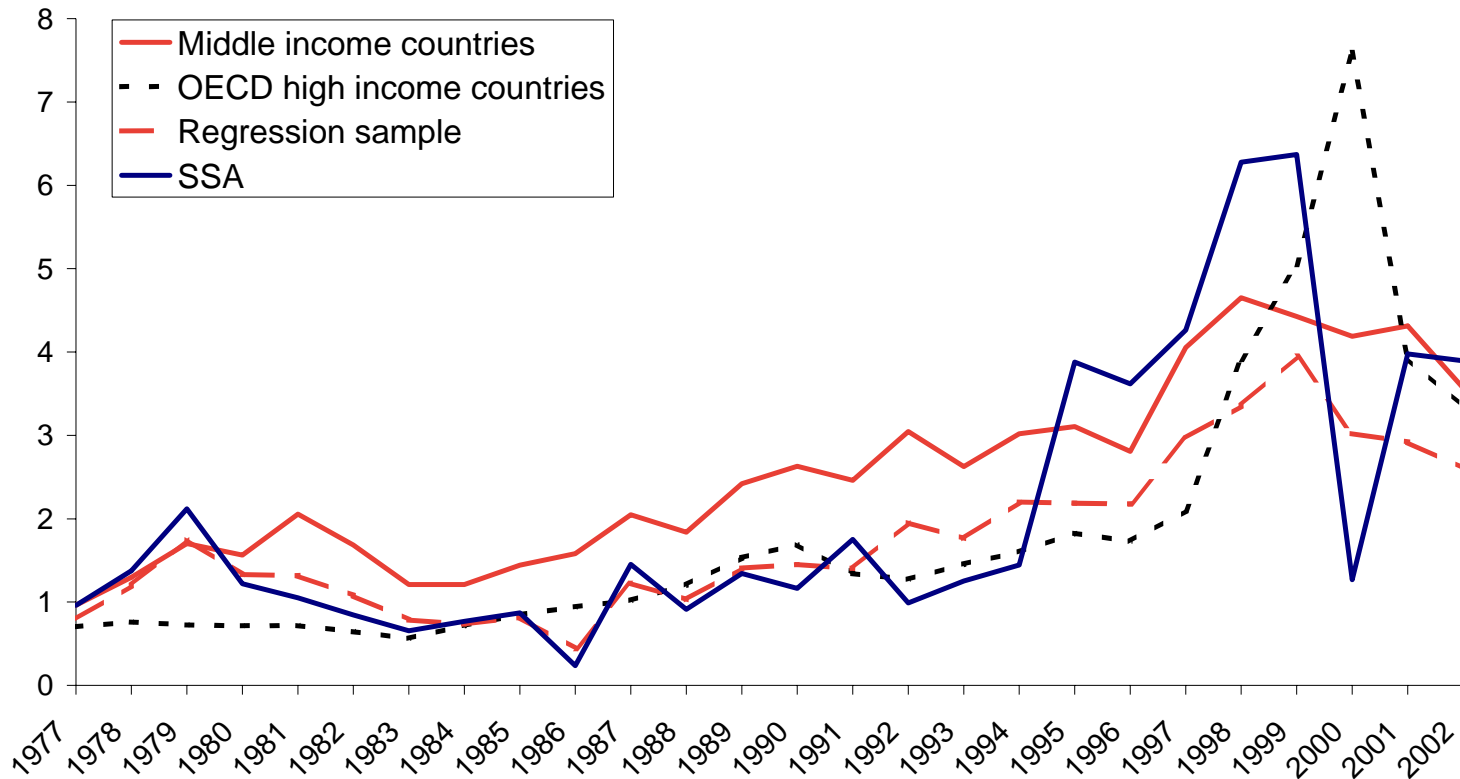
...but there are big differences in FDI between low-income countries

FDI/GDP (%) 2002



FDI flows to developing countries are volatile but have increased over time

FDI, % GDP



What is the relationship between communications infrastructure and FDI?

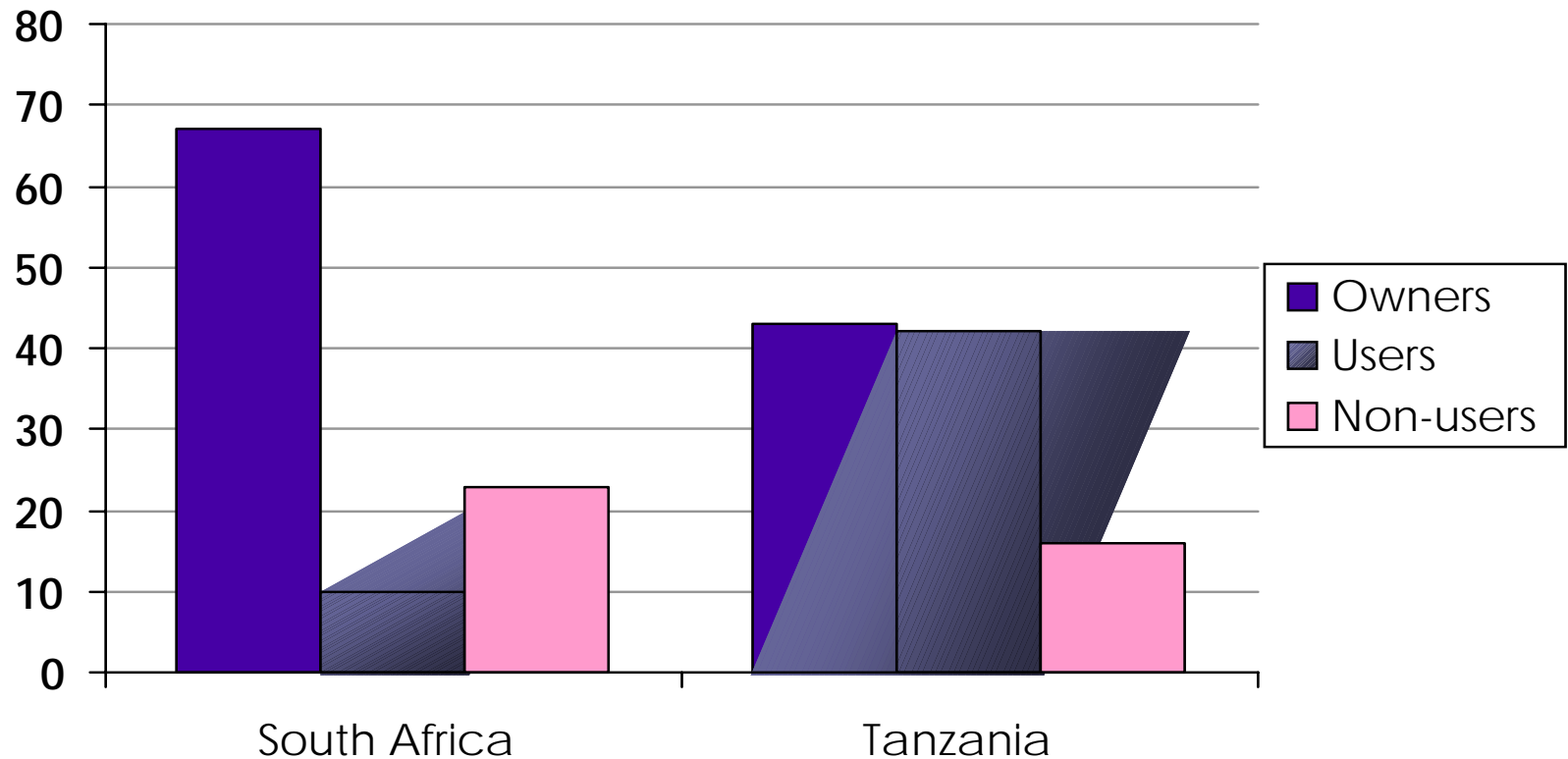
Regression analysis of determinants of FDI:

- positive impact of economic openness on FDI flows.
- fixed line penetration significantly related to FDI/GDP:
 - 1% higher rate of fixed line penetration associated with 1.3% higher ratio of FDI/GDP.
- also a relationship between mobile network penetration and FDI per capita, particularly in more recent years.
- relationship between FDI and fixed line penetration stronger than relationship between FDI and mobile penetration.
 - probably because fixed line network is related to other forms of infrastructure (e.g. transport, energy), amplifying its statistical impact.

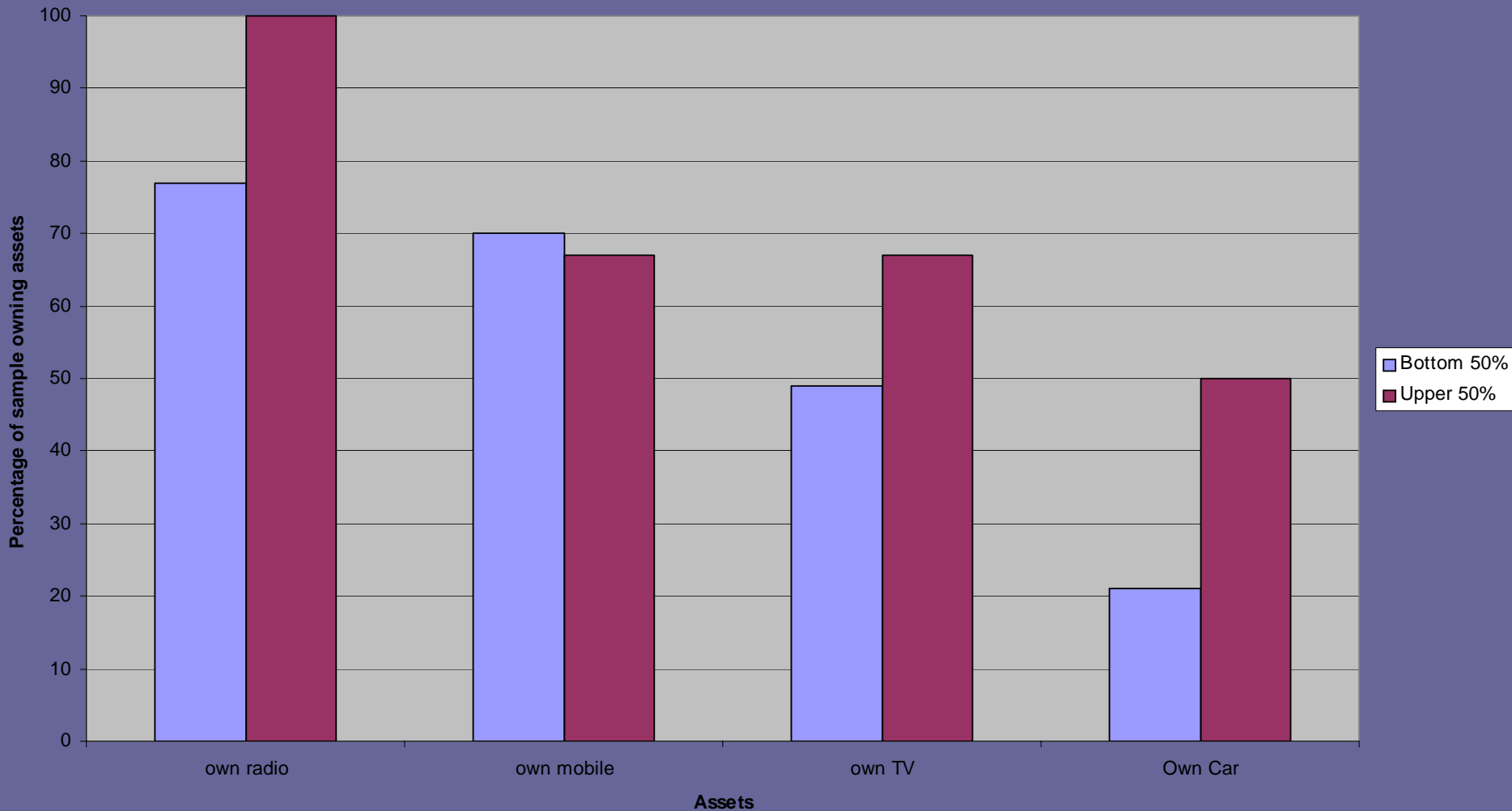
FDI results summary

- Extensions of the analysis
- Communications networks an important determinant of FDI flows into developing countries.
- There is a relationship between mobile network penetration rates and FDI inflows. It is more significant in sub-Saharan Africa and has become increasingly so over time.

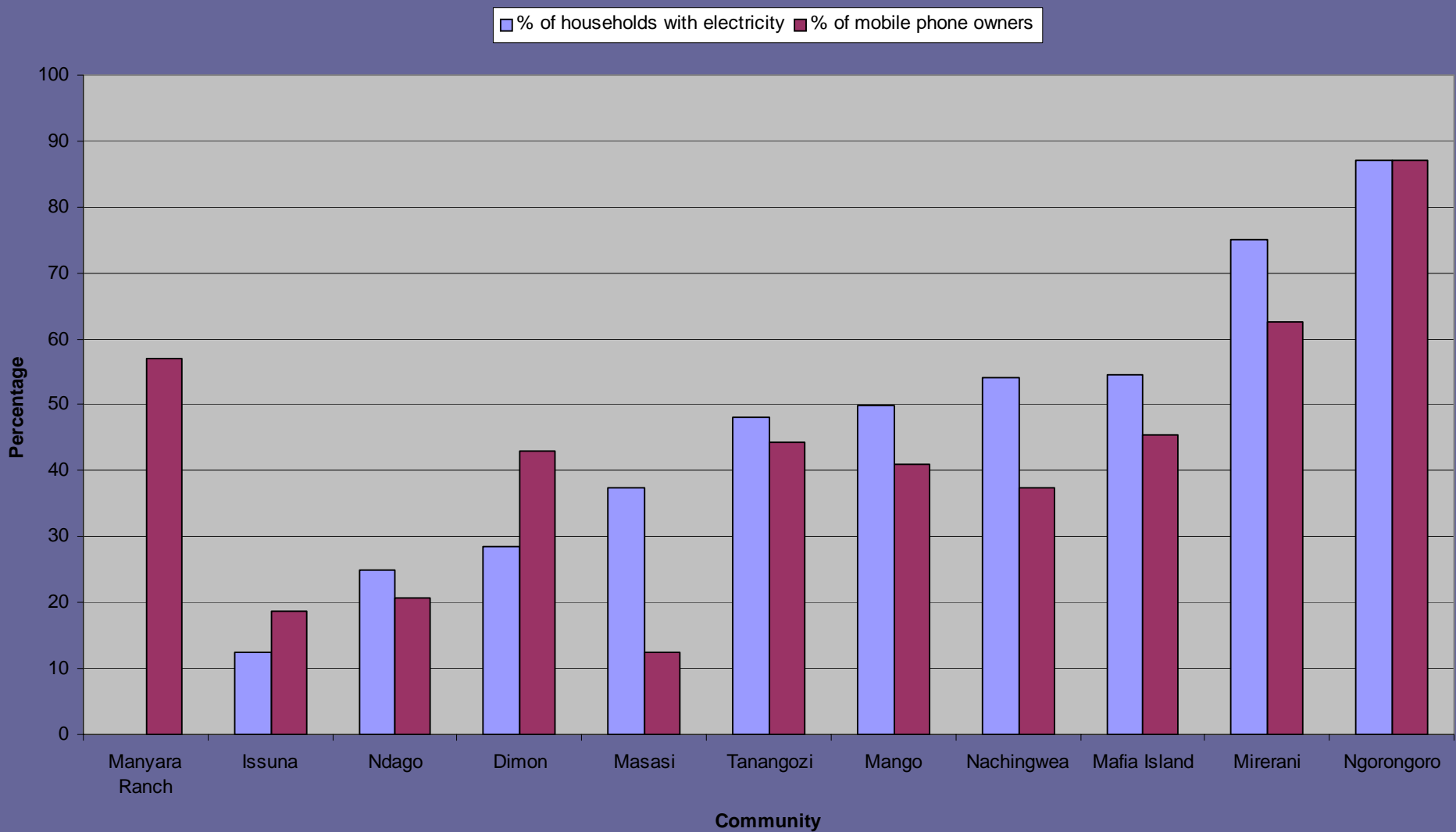
Profile of mobile ownership and use in Vodafone surveys, % of sample



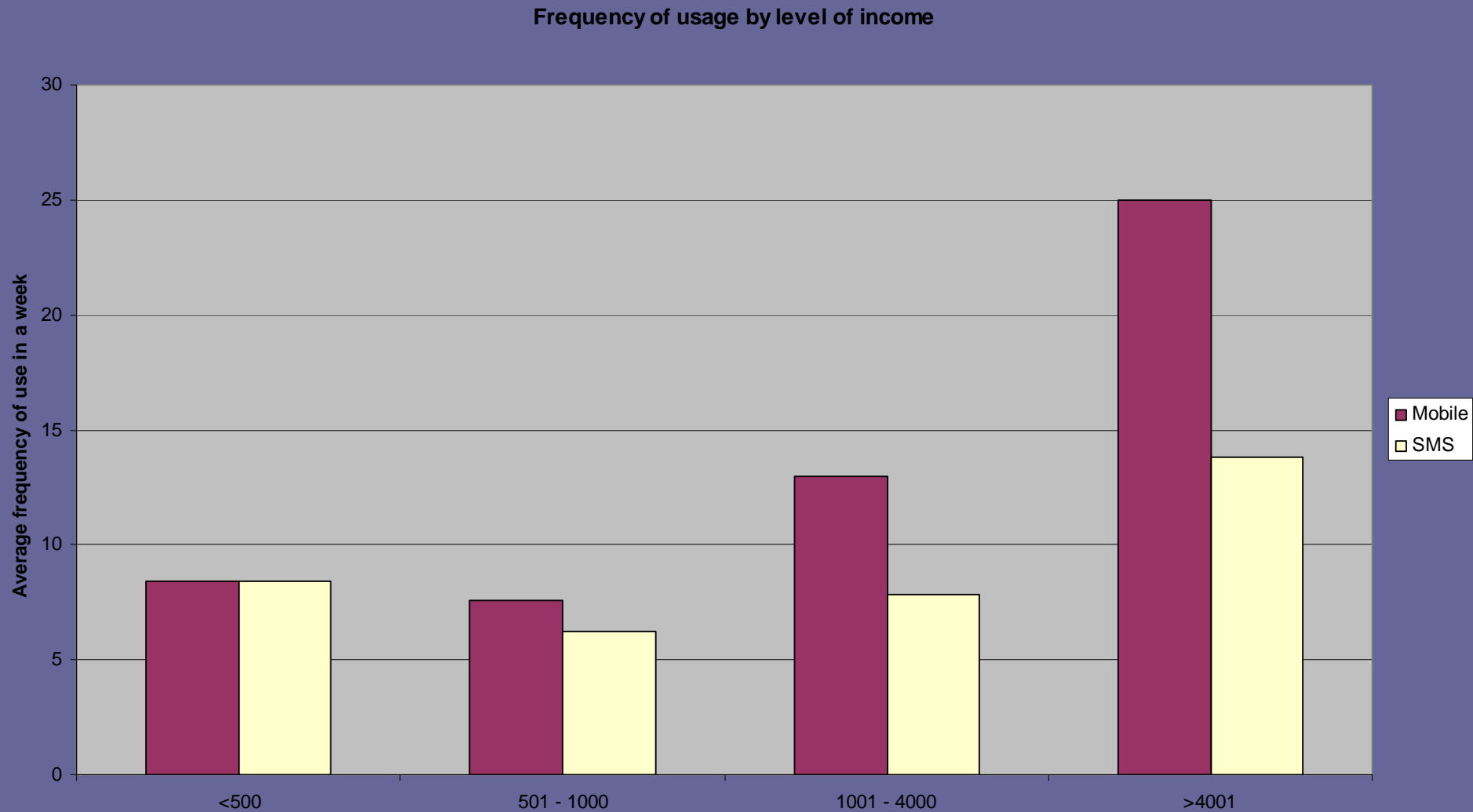
Ownership of assets, by top 50% and bottom 50% of income distribution (South Africa)



Access to electricity and mobile ownership



Frequency of use, by income level (South Africa)



Community Surveys: Summary of Impacts

	South Africa (%)	Tanzania (%)
Improved relationships*	78.7	85.3
Call rather than travel to family and friends*	77.4	91.1
Easier communication with family and friends	72.2	84.6
Useful in emergencies	25.8	27.1
Assists in job search	15.5	2.7
Faster/improved communication	7.7	53.2
Business information/ purposes	7.2	34.0
Saves money	5.7	1.6
Place an order for groceries or other items	1.0	6.9

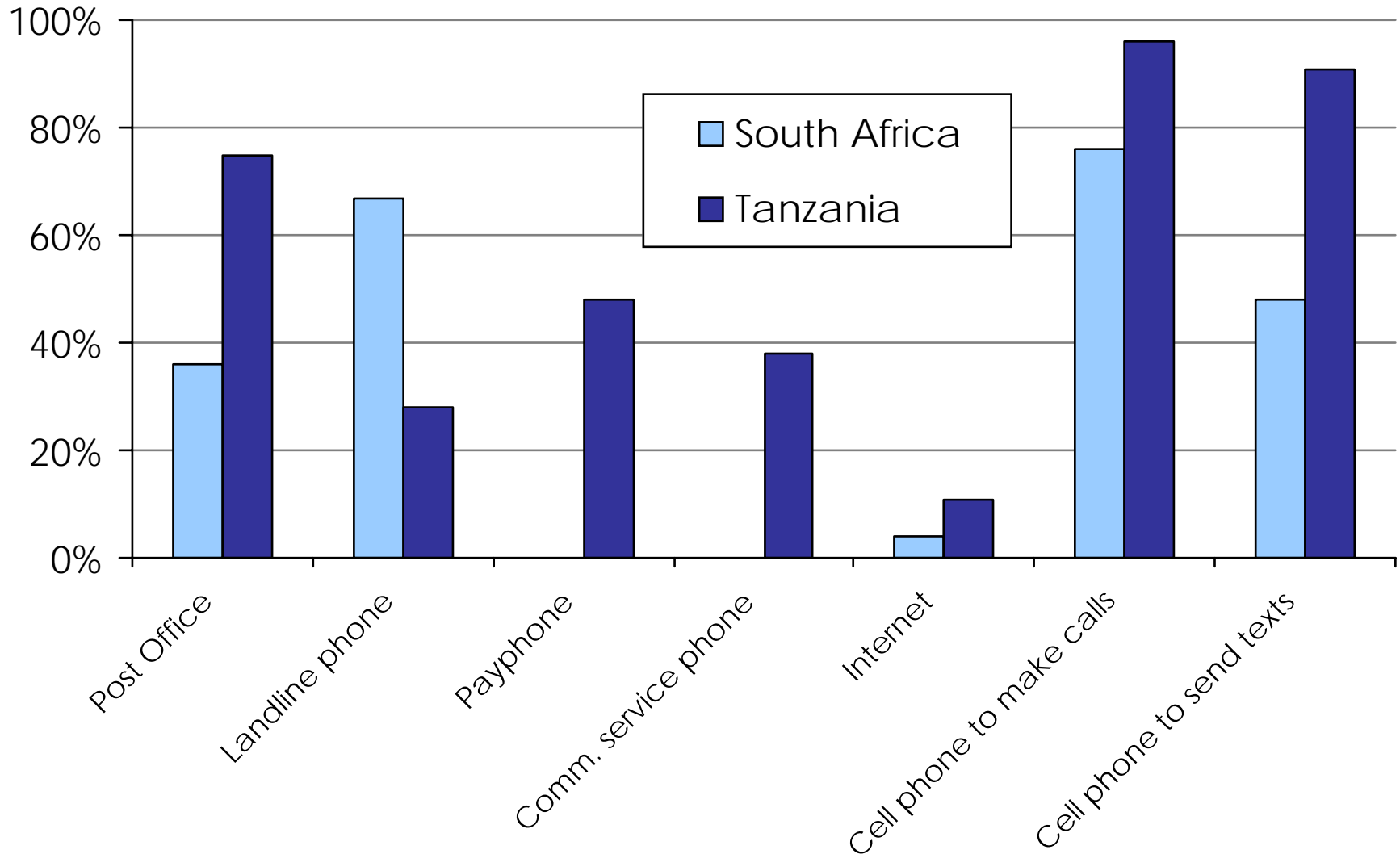
* These questions were prompted – other impacts volunteered

Small business survey: summary of impacts

	Egypt	South Africa
Increased call costs	67.3	47.1
Increased turnover	66.0	56.6
More customers	65.3	56.2
Increased profits	58.7	61.8
Faster/better communication	57.3	25.7
Increase efficiency	56.0	21.4
Save time	24.7	10.0
Available to clients all time	23.3	47.1
Save costs	22.0	15.7
Place orders on the job	15.3	21.4
Use in emergencies	10.0	20.7
Reduced travelling	8.7	50.0
Contact with office	8.0	25.0
Less free time/privacy	7.3	7.1

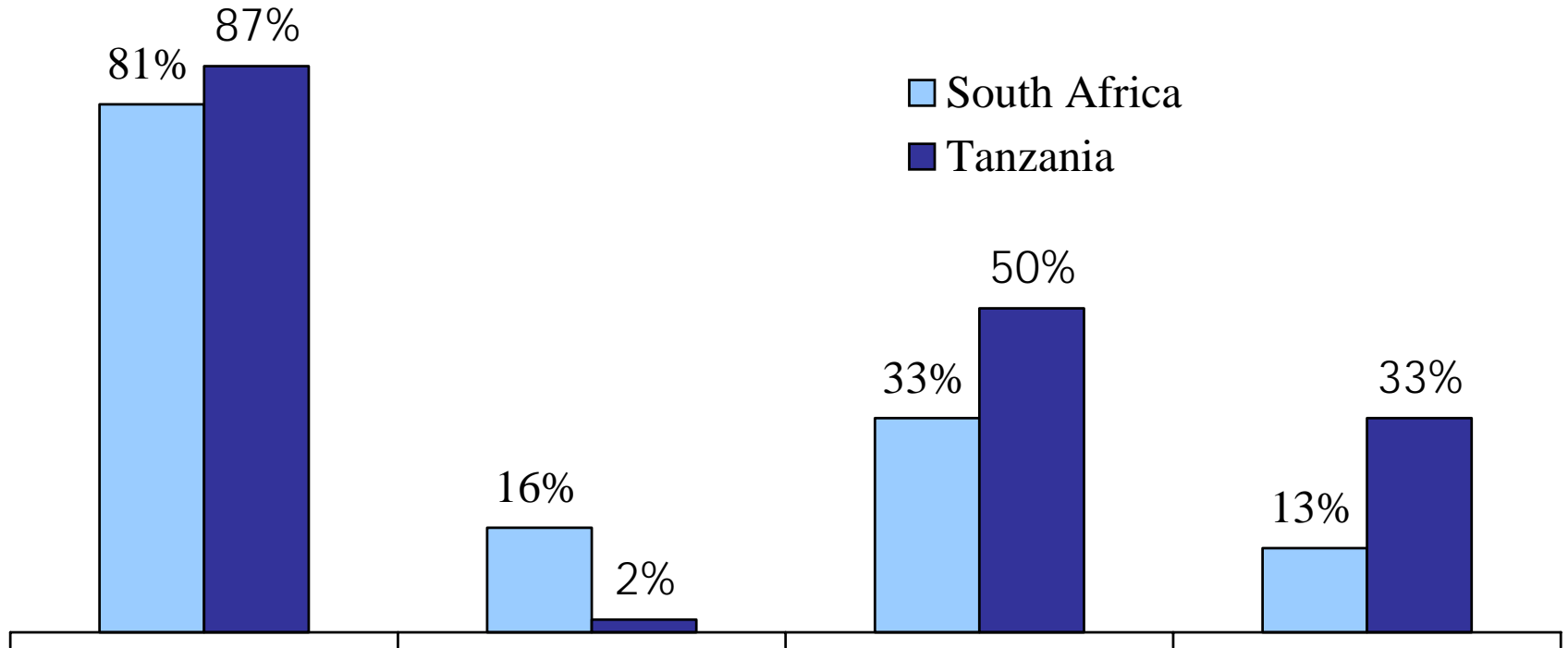
Access to communications infrastructure

% of respondents with access to each type



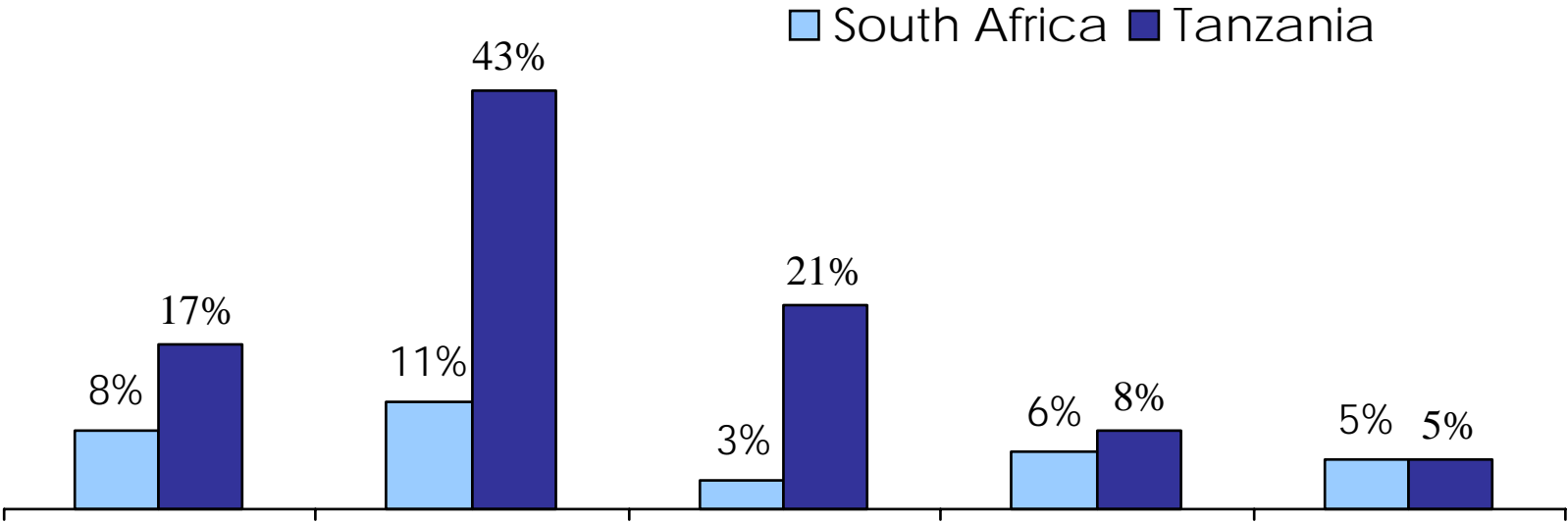
Strong links: contact with family

(% saying frequently or very frequently)



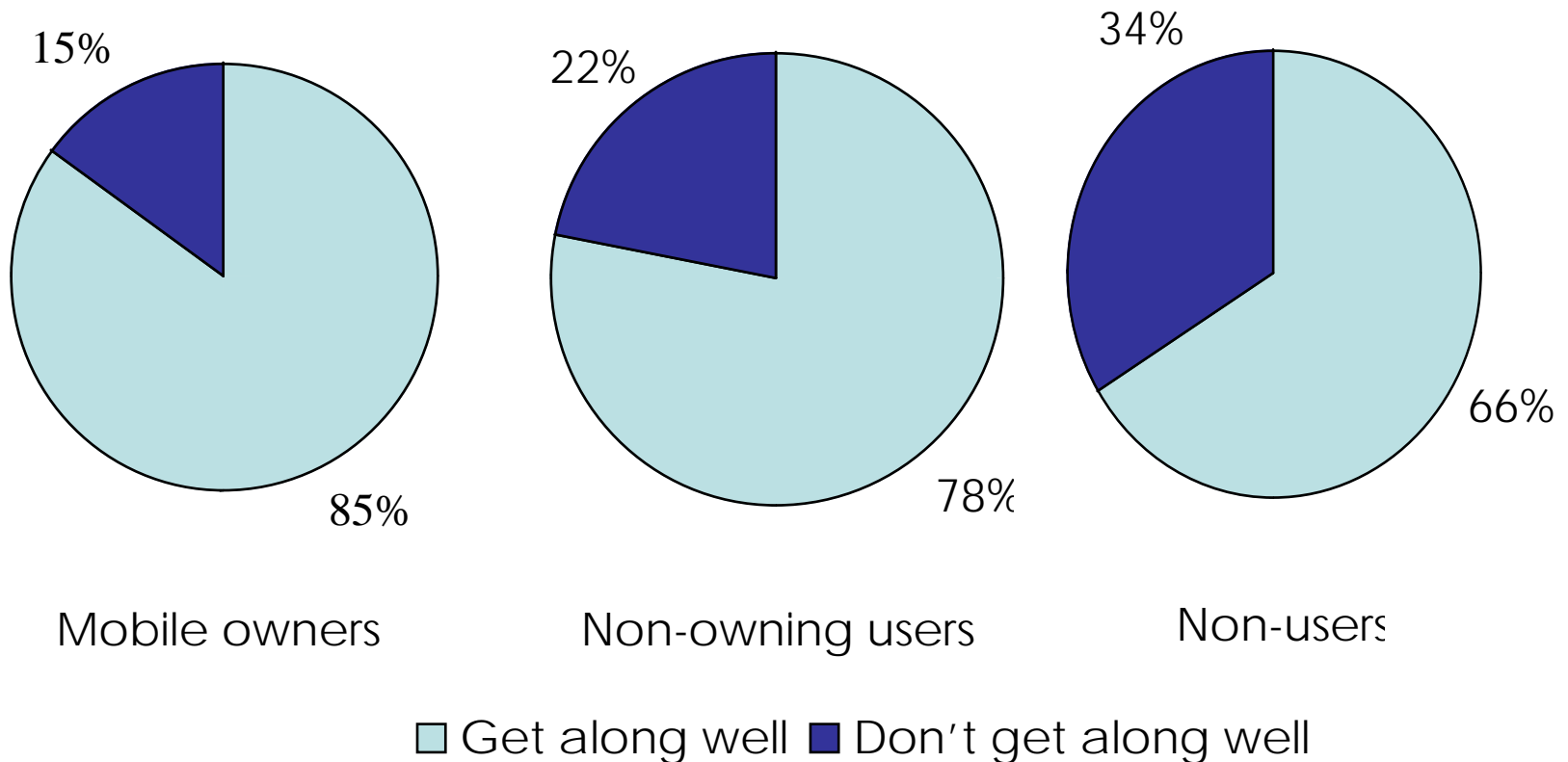
Weak links: contact with others

(% saying frequently or very frequently)



Drawing on social capital

Perceptions of community harmony (Tanzania)



Drawing on social capital: Life satisfaction in South Africa

