

National Satellite Communications (SATCOM) Strategy Progress Update

Presentation to the Portfolio Committee on
Communications and Digital Technologies

01 April 2025



Contents

1. Purpose of the presentation
2. Background
3. Why Satellite strategy
4. Problem statement
5. Stakeholder Engagements
6. Ministerial Oversight Input
7. Funding Options
8. High Level implementation plan
9. Satellite Skills
10. Next Step
11. Recommendations



Purpose

The purpose of the presentation is for the Portfolio Committee on Communications and Digital Technologies to note the progress update on the development of the National Satellite Communication Strategy (SATCOM).

- Cabinet previously approved the national broadband policy, and its associated strategies (SA Connect), with the aim of rolling out ICT infrastructure using terrestrial wireless and fixed networks.
- SA Connect objective is to provide connectivity and close the gap in sparsely populated geographic and far-flung areas in the country.
- A space-based communications satellite network is required to compliment broadband connectivity provisioning as it will cover vast areas, thus bridging the digital divide in society.
- To give effect to this realisation, a National Satellite Communication (SATCOM) strategy was developed by the DCDT in conjunction with the Department of Science, Technology and Innovation (DSTI), Sentech and South African National Space Agency (SANSA).

Why Satellite Strategy?

- The National Satellite Communication (SATCOM) Strategy is aimed to address the challenges of digital divide gap by advancing the deployment of South Africa owned Satellite system
- The finalisation of the satellite strategy will address several government's priorities, and the deployment of the satellite system will yield to the following benefits:
 - *Improve efficiencies in education and healthcare systems and government's ability to deliver services in rural areas;*
 - *Reduction of communication cost;*
 - *Catalyse economic growth and support to other economic sectors;*
 - *The development of new industries and markets which will support job creation;*
 - *The creation of new technical skills during the design, build, launch and operation phases;*
 - *Increase access to broadband, will speed up the country's development and global competitiveness and facilitate achievement of the NDP targets.*

Problem Statement



Bridging the digital divide in rural and underservice communities

Stimulating and sustaining inclusive economic growth and trade

Reducing the costs of access and curbing capital outflows

Delivering on our national priorities

Following the presentation to the Joint Portfolio Committee meeting on 20 November 2024, the following stakeholders were engaged:-

- a) **The Presidency** - An updated Socio-Economic Impact Assessment System (SEIAS) Sign-off Certificate was re-issued on 26 November 2024 after a request was made to the Presidency on 15 November 2024 due to expiry of the previous certificate.
- b) **DCDT Ministry** - On 13 December 2024 the Ministry made input into the SATCOM Strategy which was thereafter incorporated into the Strategy document
- c) **ESIEID (Economic Sectors, Investment, Employment and Infrastructure Development) DGs Cluster** - On 28 November 2024 the ESIEID DGs Cluster supported and approved that the SATCOM Strategy be submitted to Cabinet for approval to publish for public consultation.
- d) **JCPS (Justice, Crime Prevention and Security) DGs Cluster** - On 4 March 2025 the JCPS DGs Cluster supported and approved that the SATCOM strategy be submitted to Cabinet for approval to publish for public consultation.

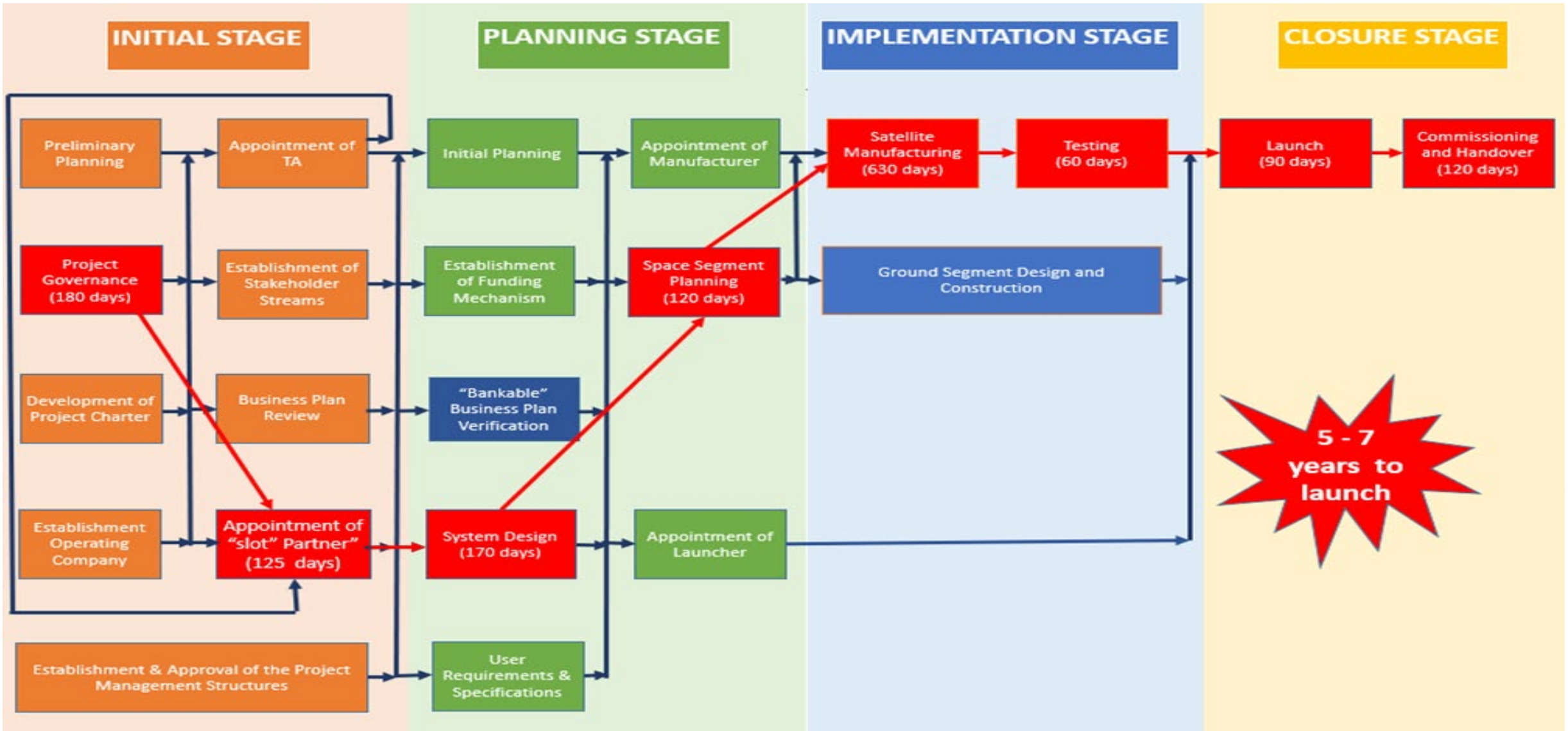
The Ministry input has been incorporated in the Strategy document and includes following:

- a) Inclusion of brief content on the SWAT analysis (**section 5.3, page 18**)
- b) Outlining the Funding options – a high-level overview of funding the satellite project (**section 7.1, page 24**)
- c) Inclusion of a high-level implementation plan indicating major project activities to be undertaken in the deployment of the Satellite project and the anticipated timelines to launch (**section 7.4, page 26-28**)
- d) Inclusion of prerequisite skills and capacities (engineers, researchers, technicians, etc.) required to implement the satellite project and plans in this regard (**section 7.5, page 28**)

The following funding options will be considered during the development of the implementation plan:

- **Option 1: National Treasury Funding of 100% CAPEX**– Government can allocate funding for the Satellite project as a strategic asset for the country.
- **Option 2: Public-Private Partnership** – The strategy proposes the establishment of the Satellite Company (SATCO) as the implementing agency that will be responsible for coordinating all Government Satellite requirements and can secure investments from the South African Government, Strategic anchor investors from BRICS countries and private business in South Africa.
- **Option 3: Debt Funding** – SATCO can engage various funders to raise funds for the project. Various funding institutions such as the Development Bank of Southern Africa (DBSA), Industrial Development corporation (IDC) and the New Development Bank (NDB) can be approached to secure a blended finance model with assistance from National Treasury’s Budget Facility for Infrastructure (BFI).
- **Option 4: A combination of National Treasury Funding, Debt Funding and/or Public-Private Partnership** – A combination of all three above - National Treasury funding, debt funding and/or Public-Private Partnerships – which could provide the flexibility required to limit Government’s capital investment.

High Level Satellite Project Milestones





Satellite Skills

- There are currently satellite expertise within in the country to manage the implementation of the satellite launch (Satellite built, AIT and launch operations).
- The SATCOM Strategy envisages collaboration with international partners to leverage their skills in areas where there is a shortage of capacity within the country.
- Partnerships will be undertaken in a mutually beneficial manner to ensure development and transfer of unique and specialised skills to meet the country's needs.
- TT&C (Telemetry, Testing and Command) services are already being undertaken in the country to foreign missions, a competence rendered by SANSA Operations which is needed for our envisaged domestic satellite.



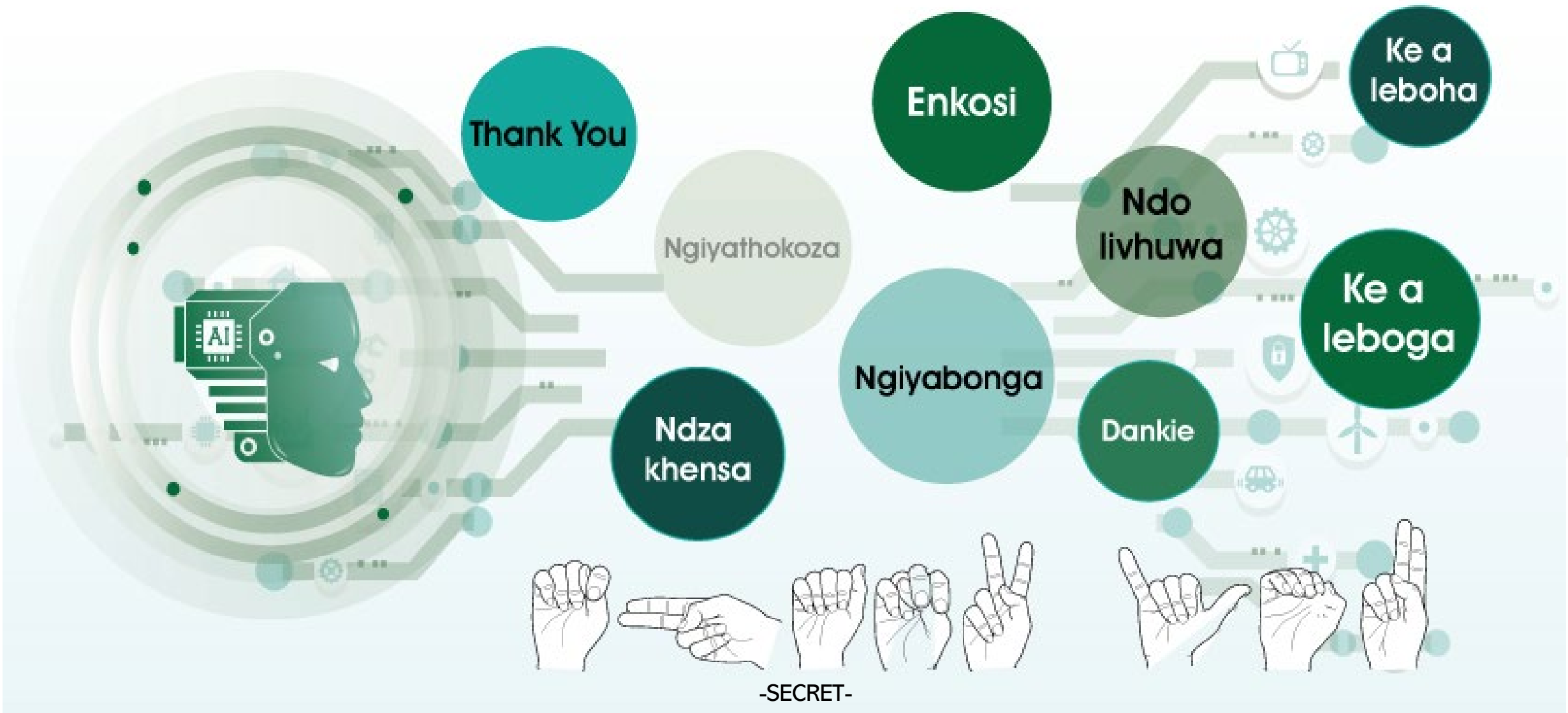
Next Steps

- The SATCOM Strategy is being submitted to Cabinet for approval to publish for public consultation.
- Once approved, the SATCOM Strategy will be gazetted wherein the public and all stakeholders are invited to make written submissions for a period of 30 working days.
- All submissions will be processed, analysed and incorporated into the Strategy.
- A national workshop may be convened to explore substantive issues including clarity on divergence.
- A refined National Satellite Communications Strategy will then be resubmitted through the Cabinet system for final approval.



Recommendations

It is recommended that the PCCDT notes the progress update on the development of the National Satellite Communication Strategy (SATCOM).



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