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**Making Connections,
worldwide.**

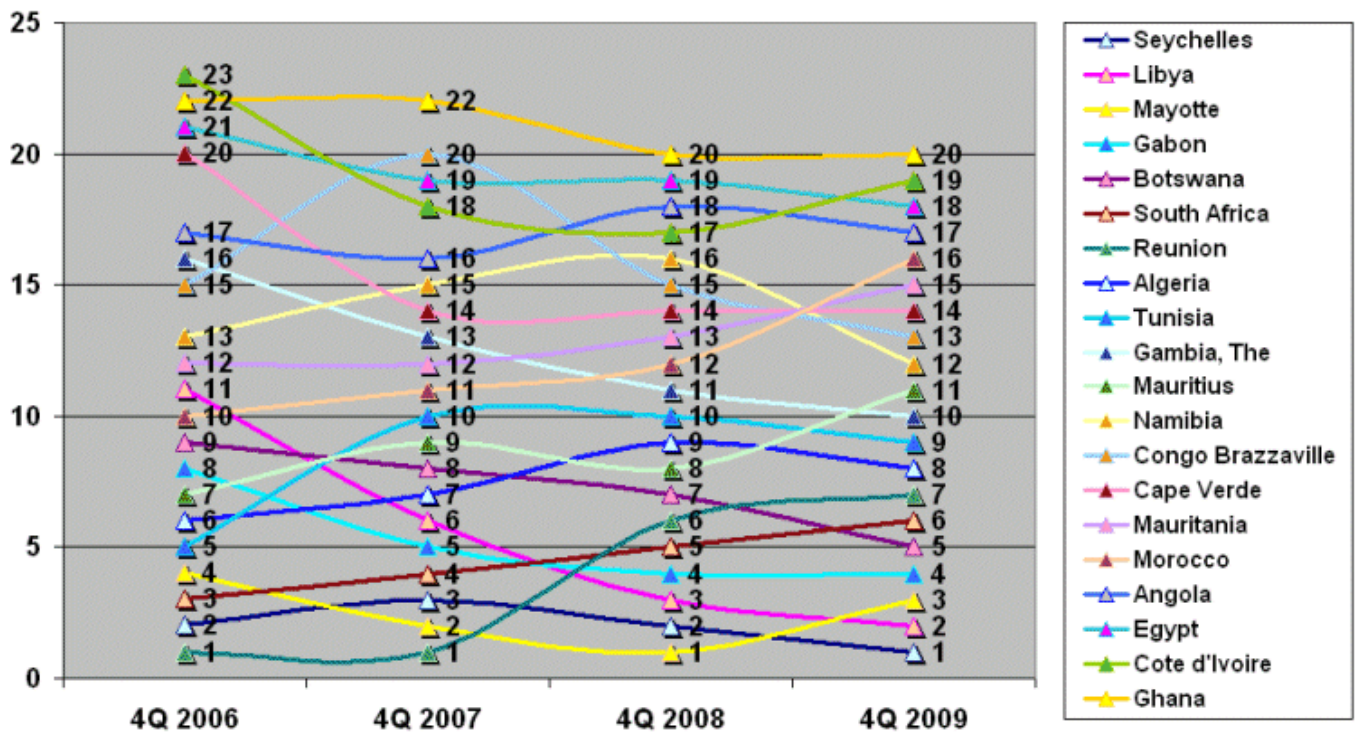
 **SPARKLE**

TELECOM ITALIA GROUP

A & ME SUBSCRIBER STATISTICS:

Africa Mobile Penetration by Country 4Q 2009

Africa Top 20 States by Mobile Penetration 4Q 2009



Source: industry sources, Blycroft estimates c. Blycroft 2010

State	4Q 2006	4Q 2007	4Q 2008	4Q 2009
Algeria	61%	77%	79%	95%
Angola	25%	39%	53%	70%
Benin	12%	17%	35%	46%
Botswana	55%	74%	88%	109%
Burkina Faso	7%	12%	18%	24%
Burundi	3%	3%	6%	12%
Cameroon	18%	26%	32%	39%
Cape Verde	23%	41%	65%	81%
Central African Republic	4%	8%	14%	19%
Chad	5%	9%	15%	21%
Comoros	6%	8%	14%	20%
Congo Brazzaville	26%	35%	62%	81%
Cote d'Ivoire	21%	38%	54%	66%
Djibouti	11%	15%	21%	26%
DRC	7%	10%	14%	14%
Egypt	23%	37%	50%	66%

Equatorial Guinea	27%	38%	44%	52%
Eritrea	1%	2%	2%	3%
Ethiopia	1%	2%	3%	4%
Gabon	57%	85%	106%	123%
Gambia, The	26%	48%	69%	84%
Ghana	21%	33%	49%	64%
Guinea Republic	7%	15%	31%	41%
Guinea-Bissau	10%	22%	32%	42%
Kenya	20%	31%	42%	47%
Lesotho	15%	21%	29%	38%
Liberia	19%	26%	35%	44%
Libya	45%	79%	113%	128%
Madagascar	5%	11%	20%	24%
Malawi	4%	7%	13%	18%
Mali	12%	20%	26%	33%
Mauritania	36%	50%	65%	77%
Mauritius	61%	72%	81%	84%
Mayotte	62%	100%	126%	125%
Morocco	47%	59%	66%	72%
Mozambique	12%	16%	18%	26%
Namibia	30%	41%	59%	83%
Niger	4%	6%	11%	17%
Nigeria	21%	29%	43%	49%
Reunion	102%	104%	99%	101%
Rwanda	3%	6%	13%	23%
Sao Tome and Principe	13%	19%	28%	41%
Senegal	23%	28%	40%	50%
Seychelles	80%	94%	125%	156%
Sierra Leone	13%	22%	29%	35%
Somalia	5%	10%	17%	26%
South Africa	77%	90%	103%	102%
Sudan	12%	19%	27%	40%
Swaziland	24%	34%	46%	57%
Tanzania	14%	21%	31%	42%
Togo	13%	21%	26%	32%
Tunisia	62%	70%	79%	93%

Uganda	8%	15%	27%	33%
Zambia	14%	20%	30%	37%
Zimbabwe	8%	11%	14%	36%

Source: Industry data & estimates c. 2010 Blycroft Ltd

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Africa Mobile Penetration by Penetration 4Q 2009

State	4Q 2006	4Q 2007	4Q 2008	4Q 2009
Seychelles	80%	94%	125%	156%
Libya	45%	79%	113%	128%
Mayotte	62%	100%	126%	125%
Gabon	57%	85%	106%	123%
Botswana	55%	74%	88%	109%
South Africa	77%	90%	103%	102%
Reunion	102%	104%	99%	101%
Algeria	61%	77%	79%	95%
Tunisia	62%	70%	79%	93%
Gambia, The	26%	48%	69%	84%
Mauritius	61%	72%	81%	84%
Namibia	30%	41%	59%	83%
Congo Brazzaville	26%	35%	62%	81%
Cape Verde	23%	41%	65%	81%
Mauritania	36%	50%	65%	77%
Morocco	47%	59%	66%	72%
Angola	25%	39%	53%	70%
Egypt	23%	37%	50%	66%
Cote d'Ivoire	21%	38%	54%	66%
Ghana	21%	33%	49%	64%
Swaziland	24%	34%	46%	57%
Equatorial Guinea	27%	38%	44%	52%
Senegal	23%	28%	40%	50%
Nigeria	21%	29%	43%	49%
Kenya	20%	31%	42%	47%
Benin	12%	17%	35%	46%

Liberia	19%	26%	35%	44%
Guinea-Bissau	10%	22%	32%	42%
Tanzania	14%	21%	31%	42%
Sao Tome and Principe	13%	19%	28%	41%
Guinea Republic	7%	15%	31%	41%
Sudan	12%	19%	27%	40%
Cameroon	18%	26%	32%	39%
Lesotho	15%	21%	29%	38%
Zambia	14%	20%	30%	37%
Zimbabwe	8%	11%	14%	36%
Sierra Leone	13%	22%	29%	35%
Uganda	8%	15%	27%	33%
Mali	12%	20%	26%	33%
Togo	13%	21%	26%	32%
Mozambique	12%	16%	18%	26%
Somalia	5%	10%	17%	26%
Djibouti	11%	15%	21%	26%
Madagascar	5%	11%	20%	24%
Burkina Faso	7%	12%	18%	24%
Rwanda	3%	6%	13%	23%
Chad	5%	9%	15%	21%
Comoros	6%	8%	14%	20%
Central African Republic	4%	8%	14%	19%
Malawi	4%	7%	13%	18%
Niger	4%	6%	11%	17%
DRC	7%	10%	14%	14%
Burundi	3%	3%	6%	12%
Ethiopia	1%	2%	3%	4%
Eritrea	1%	2%	2%	3%

Source: Industry data & estimates c. 2010 Blycroft Ltd

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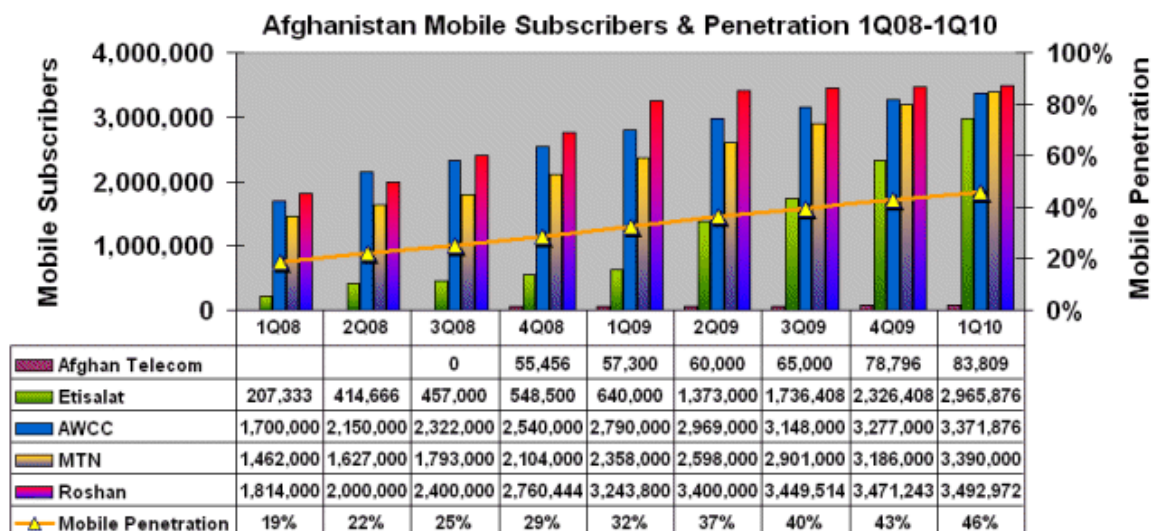
AFGHANISTAN:

Minister downgraded to holding operation

Having completed his first 5-year term as Minister of Communications, Amirzai Sangin has failed to win the support of Parliament for a second 5-year term, despite presidential support. He is therefore to continue for the time being as Acting Minister.

In a statement he claimed that the adoption of a Telecom Policy had created an enabling environment for private sector investments and key elements of this policy were the adoption of suitable legal framework, creation of a transparent regulator, adoption of a transparent mechanism for issuing of licenses, allocation of adequate spectrum and creation of Telecom Development Fund for development of telecom services in rural areas.

The telecom services have spread across the country and are covering more than 80 percent of the population. The number of mobile phone users has been growing rapidly reaching 13.3 million users at the end of March 2010, equivalent to over 50 percent penetration.



Source: industry sources, Blycroft estimates c. Blycroft 2010

He said that the vision is for the next 5 years to be a period for the broadband Internet revolution. By end of 2014, the mobile phone penetration is forecast to be at least 100 percent and the broadband internet penetration 50 percent.

To achieve this 3G and Wimax licences will be issued, optical fibre and digital networks will be expanded, and the Telecom Development Funds will see services expanded to rural areas and villages.

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AFRICA & MIDDLE EAST:

Bharti sale concluded says Zain

Zain has achieved closure on the Bharti deal, having finally satisfied the pre-sale conditions of the deal. The deal valued the Celtel operation at USD 10.7 billion on an enterprise basis, and the net cash take proceeds are USD 8.968 billion.

As of Tuesday 8 June 2010 Zain said in a statement that it had received USD 7.868 billion from Bharti, and over the next 6 months, Zain expects to receive up to USD 400 million upon the achievement of certain milestones. The balance of USD 700 million is due one year after completion as per the deal signed on 30 March 2010.

Zain has repaid the USD 4 billion Revolving Credit Facility which the company entered into in July 2006. Going forward, Zain intends to utilise the remaining proceeds to pay dividends and to attend to other corporate matters.

Zain has licensed the use of the 'Zain' brand and related trademarks to Bharti in all 15 African operations for an interim period. See '[Half of Zain One Network connects with Cell C](#)' in this issue for how the two are managing the process.

Mr. Nabeel Bin Salamah, CEO, Zain Group, said: "Zain commends its management team for executing this record transaction of this scale, magnitude and complexity to a very demanding timeline in an expeditious fashion. "

UBS Investment Bank acted as lead financial advisor while BNP Paribas acted as co-advisor to Zain on this transaction. Linklaters acted as Legal Adviser for Zain in this transaction.

The deal leaves Zain primarily as a Middle East mobile operator with over 31.4 million active customers as at 31 March 2010, and a presence in 8 countries.

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AFRICA:

Half of Zain One Network connects with Cell C

Zain Kuwait - just before the sale to Bharti was concluded - announced the expansion of its 'One Network' platform to South Africa in a strategic partnership with Cell C. It claimed that over 41 million Zain customers in all Zain Africa's 15 mobile operations would be able to benefit from 'One Network' services when visiting South Africa in a move timed to take advantage of the World Cup.

The network has provided a borderless mobile platform for both pre- and post-paid Zain customers when travelling to another 'One Network' partner country to be treated as local customer in terms of pricing, while retaining home country service functionalities, as, indeed, will be the case now in South Africa.

What has not been explained is how the 'One Network' will be partitioned now that Bharti has achieved financial closure. Significantly, although the release was issued through Zain's normal media channel, it makes reference only to the 15 national operations that have been sold to Bharti, so it might be assumed that there will be two 'One Networks' in operation, and never the twain shall meet. However a Zain source close to the matter assured AMETW this week that the: "One Network will remain one platform ... "

Zain Africa CEO Chris Gabriel said it had reached a significant milestone with its presence in South Africa through this deal. He added: "In every new country in which we plant the 'One Network' flag, we are redefining the concept of mobile coverage and roaming by delivering on our brand promise of 'A wonderful world' ". As confirmed on Tuesday, Bharti-Zain will be continuing under the Zain banner for a little longer yet. Indeed, a Zain source told AMETW: "The Zain brand will be used for an interim period (under licence from Zain) until Bharti Airtel rebrands to Airtel, [which is] expected to take several months ".

On the same tack Cell C CEO, Lars P. Reichelt talked in terms of being "happy " to enable Zain visitors to South Africa to make use of the Cell C network, adding that: "Working with Zain has been smooth and decisive and we are proud that the 'One Network' flag also bears the colours of the rainbow nation and of Cell C. "

Interesting, because companies caught up in the last stages of an acquisition are usually unable to start any new ventures or initiatives, particularly when the 'old' brand name is to be so prominently featured by the new venture. However a Zain spokesman told AMETW that in the interim period between announcement and final closure that such deals have been what he described as 'joint decisions' requiring both Zain and Bharti Airtel to approve them. Now it is all down to Bharti.

On marketing collateral, such as Websites, etc., our source noted that: "Zain will only have say in branding / identity / website decisions as Bharti is using them for an interim period under license." It would also appear that many Zain Africa personnel are moving to Bharti.

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Mobile banking more popular than online banking

Peter Lange, Budde Senior Analyst Africa writes:

Mobile data and broadband technologies are increasingly being used as a substitute for poor or non-existent fixed-line infrastructure in Africa. This has led to M-payments and mobile banking being a key growth area that is revolutionising Africa's financial sector. In the continent's most advanced markets, m-commerce, mobile content, applications and media have reached a level of development that is beginning to foster an associated advertising and marketing industry.

Third generation (3G) mobile technologies, coupled with improvements in international fibre and national backbone

network infrastructure are now capable of delivering broadband Internet access to a wider part of the continent's close to one billion population. However, the price of end user devices will be a key factor. The prepaid mass market will only adopt advanced services on a broad scale once prices for 3G handsets and modems as well as personal computers have reached affordable levels.

According to a study by Gartner, worldwide in 2009 there were around 75 million m-payments users, and it is forecast that by 2012 around 190 million consumers will be making mobile payments worldwide.

There is a keen interest in m-payment and m-banking among mobile operators in developing countries as one way of generating new revenue streams, in an environment where the average revenue per user (ARPU) in the voice market has fallen below USD 5 per month in many cases. The revenues are indeed growing, but can this new business also be profitable?

The often quoted pioneer success story in this sector is M-PESA in Kenya, introduced by Vodafone's Safaricom network in 2007. It allows SMS-based money transfers, irrespective of whether the recipient is another M-PESA customer or not, and even to non-Safaricom customers. Users can also deposit cash into the M-PESA account and withdraw it through a network of thousands of authorised dealers such as shops and petrol stations, or at one of 110 PesaPoint ATMs throughout Kenya (with hundreds more planned), without the use of an ATM card. The service does not require the user to have a bank account, nor is there a minimum amount.

In Kenya the average M-PESA user currently sends transactions totalling USD 33 per month through the system. This results in a transaction value of around USD 400 each per year, based on six million users and transactions totalling USD 200 million per month. Given that Kenya is a poor country, a worldwide average of USD 674 per year sounds plausible compared to Kenya's USD 400.

Market highlights:

- 3G mobile networks have been launched in more than 20 African countries, with rollouts in progress in many others;
- Most operators have included High-Speed Packet Access (HSPA) mobile broadband in their service offerings;
- There are more 3G mobile broadband users than ADSL subscribers in key African markets;
- The first 20Mb/s mobile broadband service is expected in Africa in 2010;
- African mobile operators make up to 13 percent of their revenues with mobile data services;
- Non-messaging mobile data revenue grew by 70 percent in South Africa in 2009 while overall mobile data revenue increased by 30 percent;
- Mobile data services have helped to reverse declining average revenue per user (ARPU) in some markets;
- The UMTS Forum forecasts that revenues of African 3G operators will exceed USD 7 billion in 2010;
- The 2010 FIFA World Cup in South Africa is expected to deliver a boost to Mobile TV services which have been launched in at least ten African countries;
- Some African banks have more customers using mobile banking than online banking;
- More than 10 percent of Kenya's GDP pass through the M-Pesa mobile payment and banking service, which has more users than there are bank account holders in the country.

For more information on BuddeComm research see –

[Global Mobile Broadband - Key Trends and Growth as Momentum Builds](#)

[African Mobile Broadband, Data and Mobile Media Market](#)

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Tower tactics touted in London

Rival international telecom tower operators are to meet in London 21 June to debate acquisition strategies for African communications infrastructure in 2010.

The market is hotting-up, with American Tower entering exclusive negotiations to buy Cell C's towers in South Africa last month while Helios acquired 750 towers from Millicom Ghana in January. Zain Africa, Millicom and MTN are planning further sales. Eaton Telecom, founded a year ago by Harper, along with former Orange CEO Sanjiv Ahuja and Celtel co-founder Terry Rhodes is planning new towers and to buy existing infrastructure from operators and to manage it on their behalf.

"Infrastructure sale and leaseback opportunities in Africa will attract several billion dollars investment as rival towers operators race to buy portfolios from telcos seeking to reduce costs," said conference organiser Dominic Lowndes, Managing Director of BroadGroup TMT Ventures.

He added that Eaton, Helios and American Tower are the lead players and are competing aggressively for assets. Each has significant capital available, but there are also complex issues surrounding leaseback strategies which affect the telecom operator's sale preferences.

The Wireless Infrastructure Africa Session takes place at the TMT Finance and Investment Africa conference (www.tmtfinance.com/africa) in London on 21 June 2010.

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BOTSWANA:

Consultants dig into competitive costs

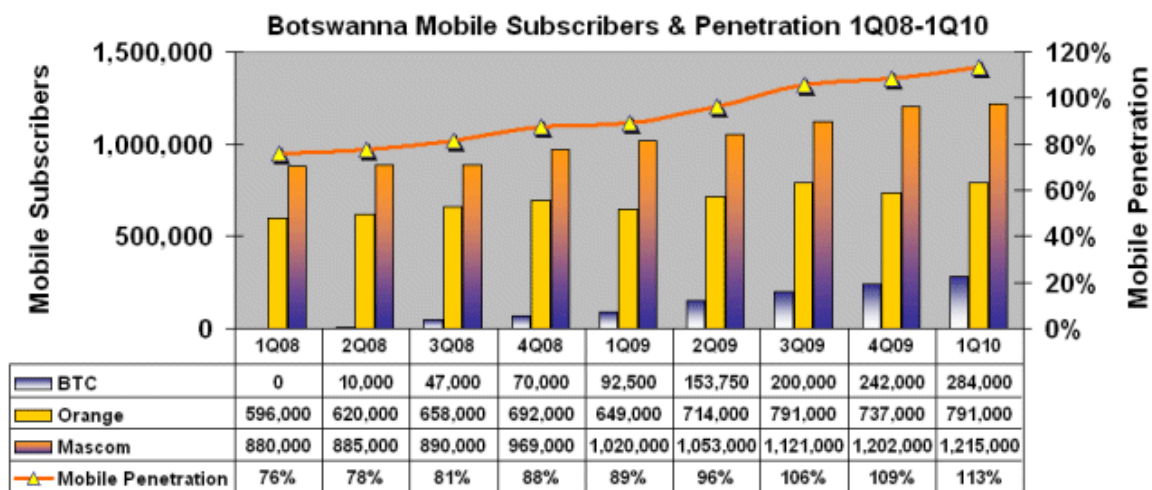
Last week the Botswana Telecommunications Authority (BTA) organised what was described as a consultative workshop for the development of a cost model and pricing framework, according to a report by the Gazette newspaper.

Three advisors have been appointed to assist the process: UK-based Analysys Mason; Swiss legal firm Lalive and local consultancy Project 3, and their role was to present the interim reports and initial findings.

BTA Chief Executive (CEO) Thari Pheko said that the cost models are needed so to establish the scale of costs incurred by operators in providing services. The aim of the exercise is to determine the pricing framework for specific services.

Operators and other involved parties should respond to the interim report by 23 June 2010, after which the draft of the final report will be submitted to the BTA on 2 July, with the final presentation on 19 July 2010 and general release on 21 July.

MTN's Mascom remains the lead mobile player with some 1.2 million subscribers at the end of March 2010, whilst Orange is in second place with 791,000 subscribers. BTC is ranked third with just 284,000 subscribers.



Source: industry sources, Blycroft estimates c. Blycroft 2010

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BURKINA FASO:

Indians confirm loan for facility

Burkina Faso Minister for Post and Communications and IT Noel Kabore is visiting India with the aim of learning how to set-up and manage a call centre.

The Minister arrived in Delhi in May to attend the International Telecommunications Conference in Hyderabad. He was quoted by the IANS news-service that the proposed call centre would have 400 positions, and that India's Export-Import

(Exim) Bank had provided a USD 5 million loan.

India has previously made loans of over USD 50 million for rural electrification and construction of the national post office in Burkina Faso, and USD 15 million for a tomato processing factory.

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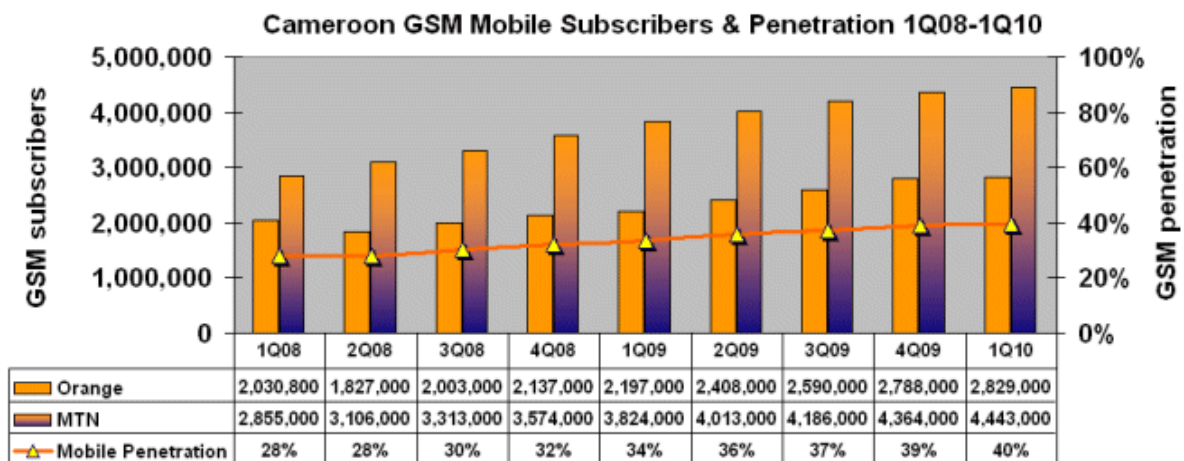
CAMEROON:

Cosy mobile duopoly to be shaken up

Minister of Posts and Telecommunications Jean Pierre Biyiti Bi Essam has said that the government is to focus on opening-up the telecoms market and stimulating infrastructure development.

The minister was quoted by local newspaper Le Messenger that it is the intention to licence up to two new mobile operators, although he did not provide details of any timetable for this.

He also revealed plans to deploy over 5,000km of fiber-optic cable by 2011 to enable the country to cope with increased traffic, as well as boost access to broadband services.



Source: industry sources, Blycroft estimates c. Blycroft 2010

Cameroon has two mobile operators, market leader MTN which reported a subscriber base of 4.44 million at 31 March 2010, while France Telecom-owned Orange followed with 2.83 million customers.

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CAPE VERDE:

CVT presses on with modernisation programme

Cape Verde Telecom's (CVT) consolidated net income fell some 6 percent in 2009 to CVE 2.84 billion (USD 33 million). Consolidated EBITDA margin was 58.7 percent, which corresponds to an EBITDA of CVE 4.56 billion (USD 54.0 million), a drop of 1.6 percent compared to 2008.

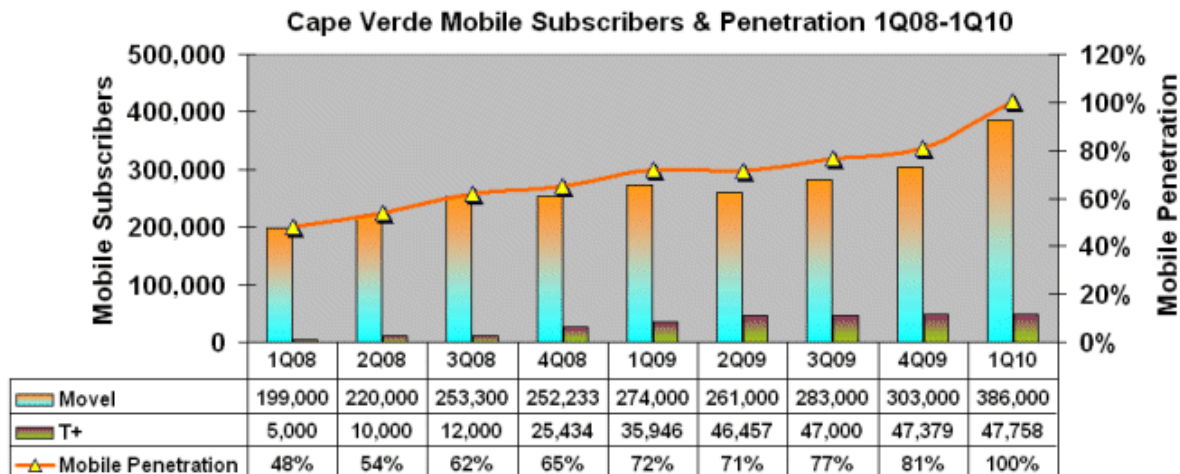
Operating revenues amounted to CVE 7.8 billion (USD 92.1 million), a decrease of 3.5 percent over the previous year, while operating expenses remained in line with 2008, standing at CVE 3.2158 billion (USD 38.1 million) representing an 0.6 percent increase compared to 2008.

2009 was regarded as a year of substantial investment, which will be continued in 2010.

CVT has comprehensively reduced its tariffs, notably to both corporate and consumer clients. For mobiles the average

price dropped by 50 percent per minute, and fixed saw a reduction of around 12 percent.

CVT's mobile operation remains the dominant player with some 386,000 subscribers at the end of 1Q 2010. CVT's fixed line operation is estimated to have around 71,000 lines.



Source: industry sources, Blycroft estimates c. Blycroft 2010

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EGYPT:

No joy for Telecom Egypt in Vodafone approach

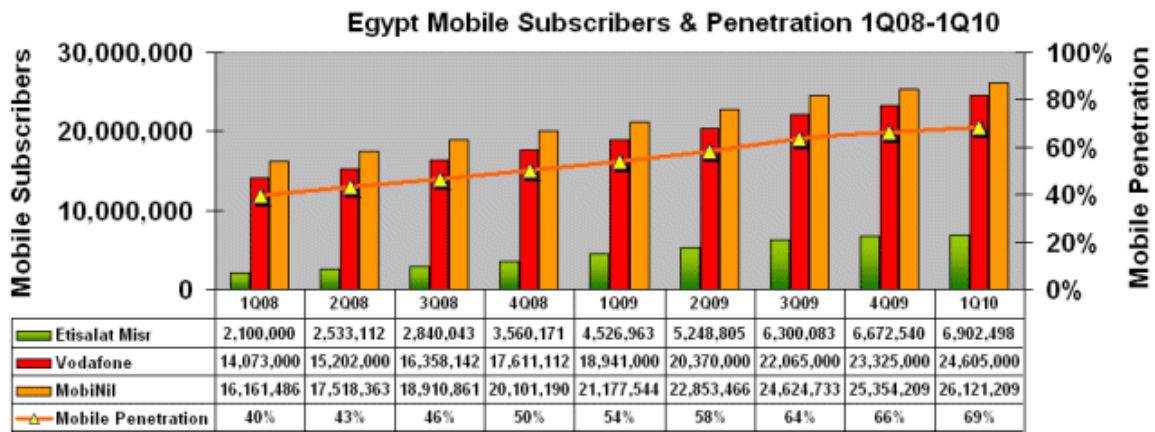
Vodafone and Telecom Egypt have formally announced that discussions concerning the ownership structure of Vodafone Egypt (VFE) have been concluded. A statement released by Vodafone said: "The Parties have agreed that it is in the best interest of VFE that the current ownership structure should remain in place." It added that the two remain committed to working together to ensure the ongoing success of VFE.

The talks are believed to have ended as Vodafone wanted to sell its entire stake while Telecom Egypt wanted to increase its 45 percent stake. Telecom Egypt may now seek investors to join a possible bid to buy Vodafone Group Plc's 55 percent stake, according to a report by Bloomberg.

Vodafone holds a 54.9 percent stake in the Egyptian operator and the stake is thought to be worth some GBP 3 billion. Telecom Egypt holds the remaining equity and approached Vodafone about the possible purchase. Vodafone Chief Executive Officer Vittorio Colao has said that Europe, sub-Saharan Africa and India were the three priority areas for the company and will be the focus its investments.

Telecom Egypt is also considering bidding for the country's fourth mobile-phone licence when it is put up for auction.

Penetration stood at 69 percent at the end of 1Q 2010, with MobiNil having the edge with some 26.1 million mobile subscribers, closely followed by Vodafone with 24.61 million. Etisalat Misr had cornered 12 percent of the market three years from launch.



Source: industry sources, Blycroft estimates c. Blycroft 2010

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GHANA:

Concern over Glo grows

Glo's local difficulties in Ghana are catching the attention of other parties, and last week The Association of Telecom Companies of Nigeria (ATCON) waded in, calling for the Nigerian government to intercede.

ATCON's President, Engr Titi Omo-Ettu, said that he is aware of recent news reports that Globacom is considering withdrawing from Ghana following alleged sabotage and vandalism of its infrastructure. He added that the report has been confirmed to him by Globacom Nigeria Ltd.

ATCON said that it would lobby Nigeria's Minister of Information and Communications, Professor Dora Akunyili, to intercede on the matter, and engage the Presidency on the matter.

ATCON said that this was not just a Globacom matter but an issue that affected Nigeria, and called on Nigeria to give: "practical support and incentive to the investment of Nigerians who invest in other countries".

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CVG bad for customer privacy says Vodafone

The implementation of a proposed Call Verification System has led to concerns being expressed by Vodafone that such a move will compromise the privacy of mobile phone users and national security. This follows the government's decision to contract Global Voices Group (GVG) of Haiti for the implementation of the Call Verification System.

Minister of Communications, Mr Haruna Iddrisu, has described the reservations as "opportunistic" in a report by the Accra Mail. He claimed that Vodafone wanted to be the clearing house for the International Gateway Termination Project, instead of GVG.

He claimed that the Amendment of the Electronic Communications Act, 2009, stipulated that the equipment to be used for the verification of all international inbound calls would only be used to measure volumes of traffic through the Call Data Records (CDR). The Call Verification System was to tackle the growth of call by-pass by which international calls were terminated as if they were domestic calls, which in turn cut government revenues from international call traffic gains.

Iddrisu claimed that some 3,000 such calls terminating through SIM boxes had been detected, and that the cost to the government in the period March - May 2009 had been estimated at USD 500 million. He said GVG was currently operating in Togo and Congo Brazzaville and that it had resulted in improved revenues.

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Vodafone CEO to step down

David Venn, Vodafone Ghana's CEO, will be stepping down from his post in July 2010.

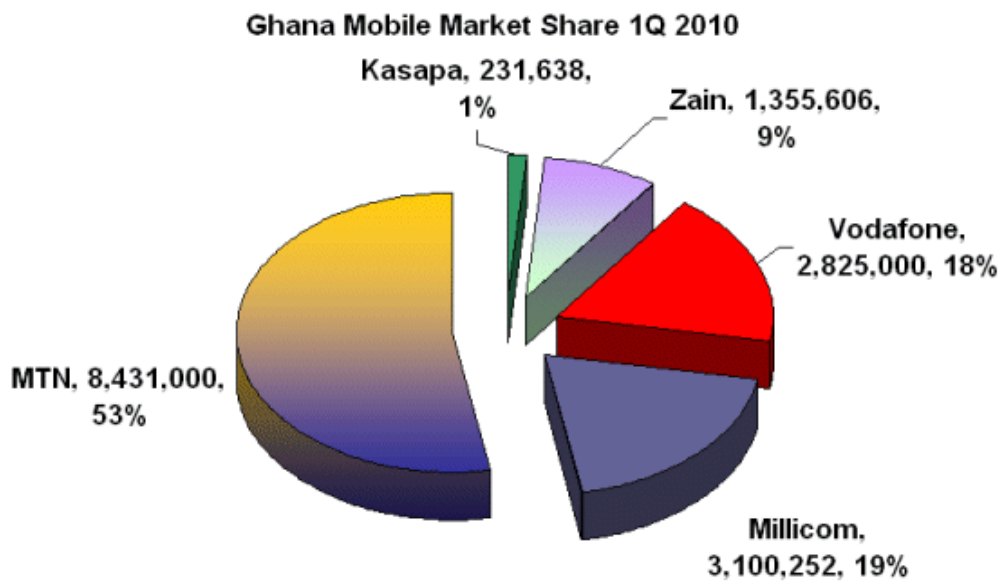
A statement said that Venn has been living apart from his family during his time in Ghana and they have been unable to relocate to this country. Regional CEO of Vodafone Central Europe and Africa, Morten Lundal, noted that

Venn has played a key role in transforming Ghana Telecom into a commercially focused and competitive organisation. His successor is to be announced soon.

Vodafone is looking to shed some 1,300 staff, and staff are to be offered voluntary retirement. Since the take over of Ghana Telecom three years ago, Vodafone has already reduced the workforce by some 2,300.

Vodafone currently has a 70 percent stake in Ghana Telecom whilst the government holds the remainder.

Following its acquisition of Ghana Telecom and subsequent investment, Vodafone had an 18 percent market share at the end of 1Q 2010.



Source: industry sources, Blycroft estimates c. Blycroft 2010

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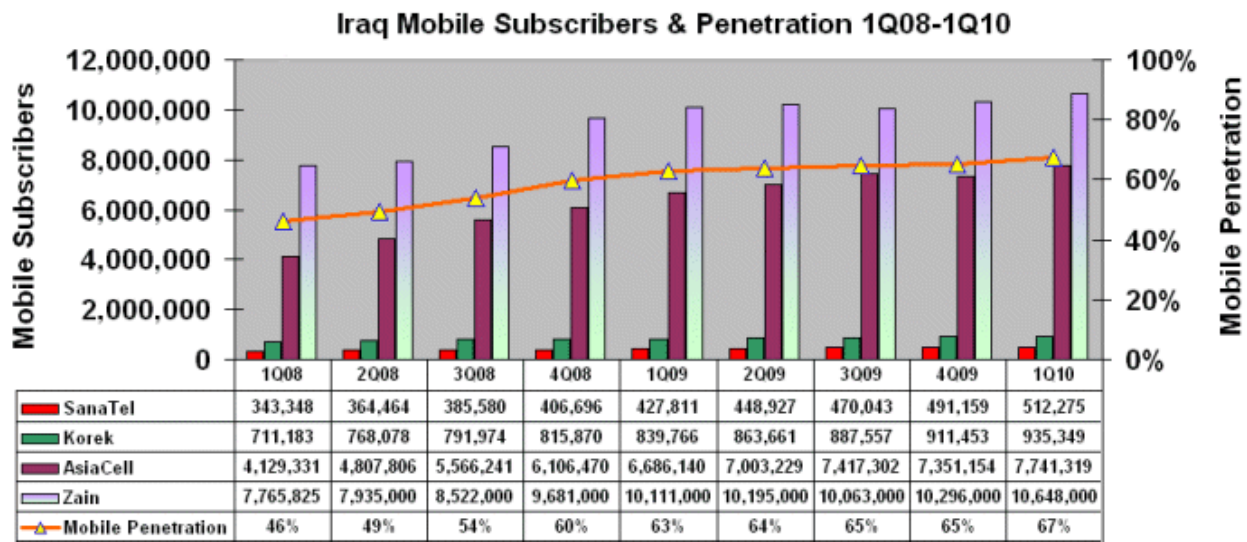
IRAQ:

Creeping national coverage for Asiacell

Asiacell said that it is continuing to implement its expansion plan for 2010, which would see it extending its coverage to all of Iraq in general, with particular emphasis on the western and southern regions so covering all main cities. The expanded coverage includes the governorate of Anbar which comprises of the cities of Rawah, Ubaidi, Karbala, Husaibah, and Haditha.

Faruk Mustafa Rasool, Asiacell's Chairman, said: "Making sustainable investments in our infrastructure is one of our main priorities due to its significant contribution to the development of the Iraqi telecom sector and in raising the sector's competitiveness in terms of quality and standards. "

Asiacell was the first mobile operator in Iraq, launching in the city of Sulaimaniya in 1999. It is the second largest mobile operator serving over 7.7 million subscribers, but is topped by Zain who reportedly had some 10.6 million subscribers at the end of March 2010.



Source: industry sources, Blycroft estimates c. Blycroft 2010

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Etisalat eyes new licences

Etisalat is eyeing two possible new Middle East licences. Mohammad Omran was reported by Dow Jones Newswires at an Arab communications meeting held in Jordan on Monday as saying that the operator is interested in the fourth mobile licence recently announced by the Iraqi government. The government is to run an open tender.

The winner, with its national licence, will hold a 65 percent stake, and the Iraqi communications ministry the remaining 35 percent. Etisalat has also toyed with acquiring an interest in mobile operator, Korek.

Etisalat is also believed to be interested in Syria's third mobile licence, which it expressed in April 2009.

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ISRAEL:

3G frequencies offered at bargain rates

The minimum price for UMTS 3G frequencies have been dramatically slashed in an effort by the Ministries of Finance and Communications to stimulate interest amongst new investors, the Globes news service has reported.

New operators will now pay only ILS 10 million (USD 2.6 million) – a remarkable reduction of some 94 percent from ILS 180 million (USD 46.4 million). The higher rate was set only six months ago, and the cut is offered along with other sweeteners such as collocation and low user fees for inland roaming on other networks.

Cellcom, Partner, and Bezeq subsidiary Telephone all paid ILS 220 million (USD 56.8 million) for 3G frequencies in the previous tender round. Mirs Communications did not participate in the 3G tenders but is now under new ownership and may therefore reconsider.

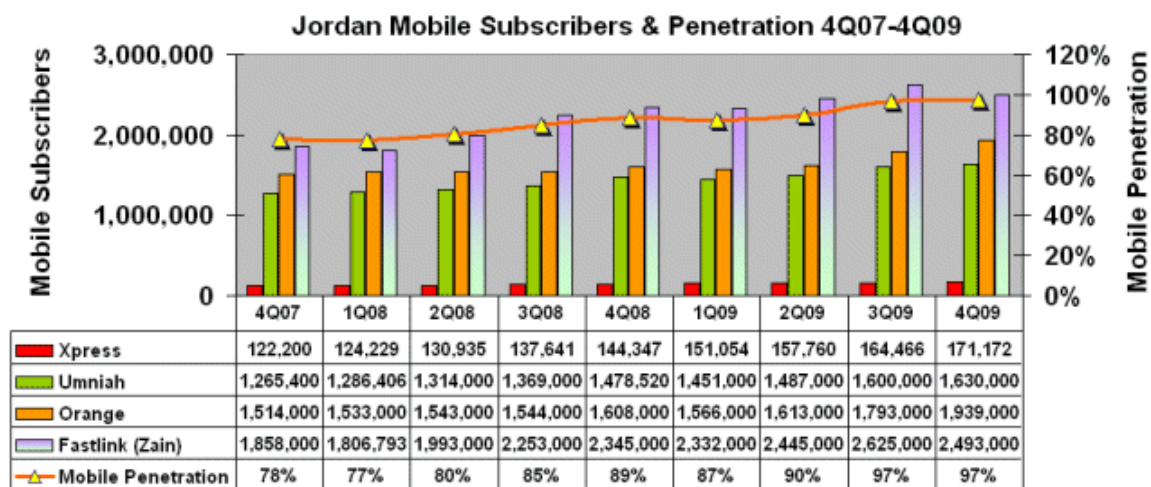
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JORDAN:

Loan to oil Zain infrastructure plans

Zain has secured a USD 70 million loan from Jordan-Kuwait Bank to finance expansion of its network with new technology.

Chief Executive Officer Abdel Malek Jaber said that the finance will reflect on the company's performance and plans by allowing the latest technology to be applied and so allow a more competitive offering.



Source: industry sources, Blycroft estimates c. Blycroft 2010

Zain is the largest mobile operator in the kingdom, with around 2.5 million subscribers and a share of 42 per cent in a market with almost 100 percent mobile penetration. Jordan Telecom Group, in which France Telecom has a 51 percent stake with nearly 2 million subscribers or 30 percent plus of the market.

Neither Zain or Orange have published their subscriber numbers for the 1Q 2010 – Orange saying that the figures are delayed, whilst Zain claims it is awaiting financial closure with Bharti Airtel before publishing its detailed financials for the period finishing end-March 2010.

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Softly softly for new MVNO

The Kingdom's first MVNO is reported to be to its planned launch schedule with the news this week that it is has soft launched its service, whilst the company's CEO, Mikkel Vinter, has described the formal launch as being "not far off " in a report by the ITP.net newsportal.

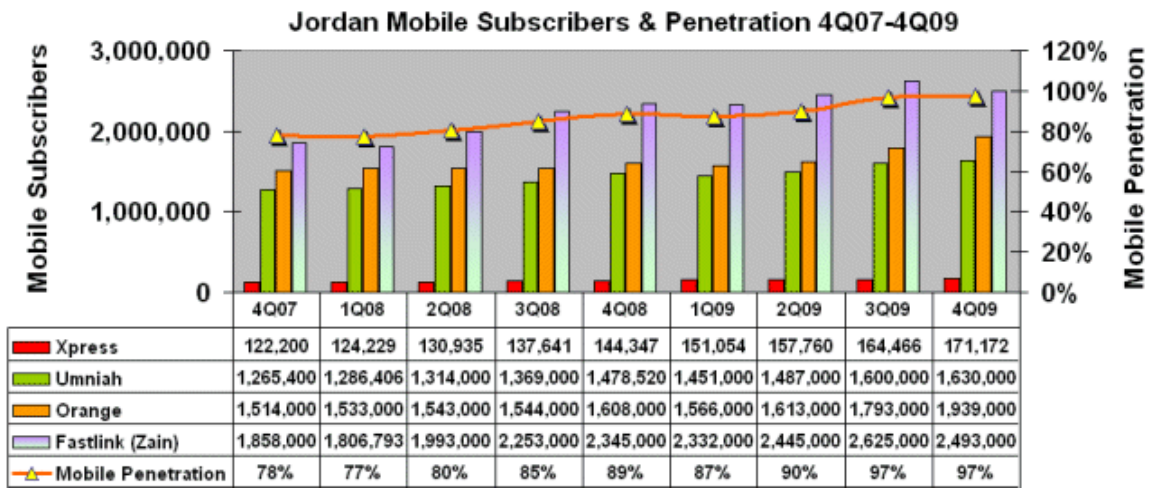
FRIENDi is reported to currently have some 300 to 400 signed-up subscribers, and Vinter has claimed that all the elements, including the call centre, are up and running. The MVNO is targeting a pre-paid offering at expatriates and nationals with friends and family overseas.

FRIENDi has already launched in Oman using Omantel's network and intends to have a presence in at least 10 countries in the Middle East by 2014. Vinter said that the MVNO was also actively in negotiations to enter markets under a branded reseller model, rather than a full MVNO. Other markets being targeted are Saudi, Bahrain, Egypt and Morocco.

In January 2009 Zain signed a strategic co-operative deal with FRIENDi Group to allow it to provide over Zain's network and provide offers and services to specific customer segments, so making it the first Jordanian MVNO.

FRIENDi originally planned to start services during the second quarter of 2010. This is FRIENDi's second operation in the Middle East after launching services in Oman in 2008.

The pre-paid segment constitutes the majority of subscriptions in Jordan. Zain had a subscriber base of around 2.5 million at the end of 2009, and is the pioneer in the market with a market share of around 40 percent.



Source: industry sources, Blycroft estimates c. Blycroft 2010

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QATAR:

Virgin website plays up brand values

Further fuel has been added to the status of Qtel's new buddies in Qatar with the launch of a Qatari Virgin Mobile website at www.virginmobile.com.qa.

It will be recalled that Vodafone has serious concerns about the status of Virgin Mobile, believing that its presence contravenes the terms of Vodafone's own licence, whilst Qtel was keen to point out that it had issued no new licences, and had not been consulted either. Qtel meanwhile was confident that this was merely a branding exercise, with Virgin playing a role similar to that of a retailer.

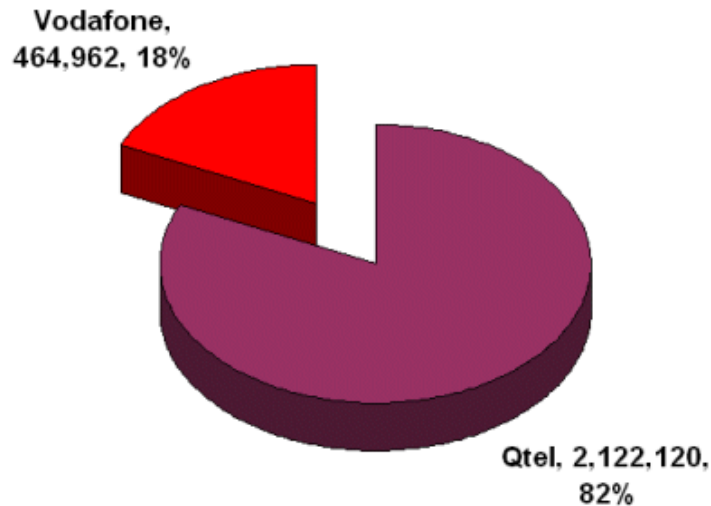
And indeed, the site does say: "We're Qatar's new lifestyle brand.. " It goes on to claim that the Virgin Mobile brand was created by the Virgin Group, an organisation that includes more than 200 companies worldwide and employs over 50,000 people, and notes that in Qatar, the Virgin name is associated with Virgin Megastores and Virgin Health Bank.

Reasons for using the service, range from No hidden costs; Personalised plans; Prepaid Mobile Broadband; Incentivised Recharging; and Comprehensive coverage (although presumably no better than one might have achieved using the traditional Qtel network).

It lists nine retail outlets, variously located around Doha, close to and inside the Virgin Megastore as well as in various Malls and supermarkets. These – along with the various events Virgin are planning – can be tracked on the Virgin Mobile Map — described as an animated, interactive, multimedia map.

Vodafone has already won a healthy 18 percent of the market, with some 464,962 subscribers at the end of March 2010.

Qatar Mobile Market Share 1Q 2010



Source: industry sources, Blycroft estimates c. Blycroft 2010

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RWANDA:

Kenyans to offer USSD mobile banking solution

Kenya Commercial Bank (KCB) plans to roll out KCBconnect in Kigali, Rwanda in October 2010 which will interface with Safaricom's M-pesa money transfer service, through an unstructured supplementary service data (USSD) platform, according to a report by Business Daily Africa.

Tom Kahigu, the Head of the Bank's alternative business channels and innovations, said the product will shortly be available on other mobile money transfer services such as Yucash and Zap. He said that the service will be initially launched in Rwanda before being launched in Uganda and southern Sudan. KCB and Essar's Yu are doing a pilot test of their systems while discussions are under way with the erstwhile Zain for access to Zap. KCBconnect is not limited to KCB account holders and has so far attracted 200,000 users.

USSD provides session-based communication, enabling a variety of applications that allow interactive services and utility payments with limited cash transfers. The new KCB product is similar to M-Kesho recently launched by Safaricom and Equity Bank, which allows Safaricom subscribers on M-Kesho secure small loans of up to KES 5,000 (USD 59).

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SENEGAL:

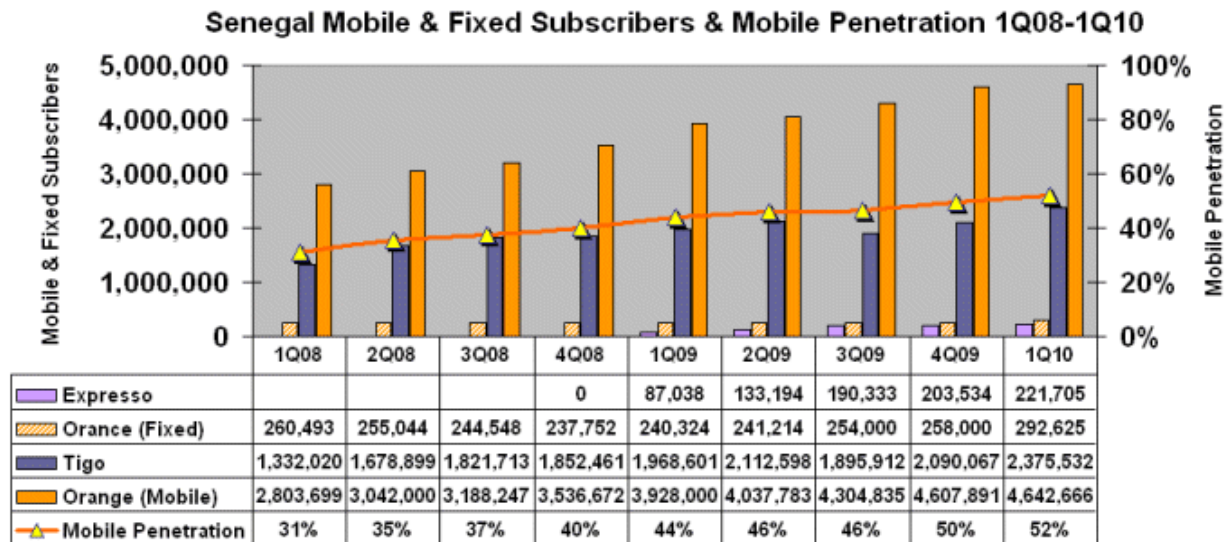
Rural pilot for Matam

Senegal is claiming it is the first country in West Africa to undertake a pilot universal service telecoms project. Matam has been chosen by the government to be a pilot for the provision of rural telecom services with a view to assessing its potential for high wealth creation and knowledge.

The pilot should enable some 225,000 inhabitants of 166 villages to take full advantage of the digital society with the development of applications in telemedicine, e-Learning, e-government, etc.

The Matam region has been identified to host the pilot project, which will be under the direction of the Universal Service Consortium (CSU) as the result of an international selection process led by the World Bank.

At the end of March 2010 Orange remained the dominant mobile player with some 4.6 million mobile subscribers, whilst in second place was Millicom's Tigo. Expresso, with some 18 months trading since launch, has a modest 221,705 subscribers at the end of the quarter - which compares with the 292,625 fixed line subscribers chalked up by Orange.



Source: industry sources, Blycroft estimates c. Blycroft 2010

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SIERRA LEONE:

Gateway up for grabs again

The government is to liberalise the international mobile gateway 'soon', breaking the monopoly held by incumbent operator Sierratel, according to local newspaper Awoko.

Minister of Information and Communication Ibrahim Ben Kargbo said the move will pave the way for the landing of fiber-optic cables in November 2011, in order to bring higher bandwidth, cheaper tariffs and improved service quality to end-users.

Celtel (now Zain) and Millicom SL (Tigo) were issued with international gateway licences in January 2003, only to have them revoked in August 2006 as one of the sector reforms brought about by the Telecommunications Act 2006, which restored Sierratel's monopoly on international connections for a period of two years.

Despite calls for an 'open and transparent' review of the international gateway by the Sierra Leone GSM Operators Association in July 2008, Sierratel's monopoly was extended in August 2008.

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Zain steps-up registration process

Zain is taking subscriber registration seriously, and is intending to have the majority of its subscribers registered by the 30 June 2010 deadline set by the National Telecommunications Commission (NATCOM). The Awareness Times quoted Zain Sierra Leone Head of Corporate Affairs and Communication, Kelvin Kellie as saying that the operator had 'doubled' its efforts to meet the timetable.

Indeed, Zain is keen to play-up its collaborative stance with NATCOM, possibly trying to make up for its falling out with the regulator at the being of the year over the increase in prices of mobile recharge cards which saw it fined some USD 50,000, along with competitor Africell.

Kellie disclosed that the Commission had embarked on the program as a matter of National Interest in collaboration with

the Office of National Security together with the Ministry of information and Communications.

The process is expected to create a better database of market information. Zain has set-up registration centres at all its offices and within the western area. It has also employed free-lancers in mobile teams going from door-to-door and also visiting business premises.

Details required for registration are the subscriber's name, phone number, address, and digital photo.

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SOUTH AFRICA:

Autumn departure for September

On Friday Telkom said that Reuben September will retire from his position and resign his directorship when his contract times out in November 2010: a successor will be announced in due course.

As Group CEO, he played what Telkom described as a 'pivotal role' in heading the disposal of the 50 percent interest in Vodacom, Telkom's restructuring, the launch of Cybernest and Telkom's entry into the mobile market later this year.

During the past 33 years, September has assumed responsibility for a number of engineering and commercial positions, including Managing Executive for Technology and Network Services, Chief Technical Officer and Chief Operating Officer. He also served as a Director of Vodacom.

Only at the end of last month September announced that 134 staff had accepted voluntary redundancy. Included on the list were Naas Fourie, Telkom's chief of strategy, and Thami Msimango, Managing Director of its international business unit, Telkom International. Both leave at the end of May. Procurement head Stafford Augustine and group executive for network provisioning Marius Mostert also stepped down.

Telkom's CFO, Peter Nelson was put in charge of departments that previously reporting to Fourie, whilst September took on Msimango's portfolio.

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DID solution eliminates need for local office

Voxbone has announced the availability of its local number service in South Africa. Carriers and large enterprises needing a local-call presence in South Africa now can purchase direct-inward-dial (DID) numbers and origination service through Voxbone, which carries the call over the long international leg via IP, delivering it to the network of the end user.

Voxbone CEO Rod Ullens said: "The South African market is one of the most advanced in Africa, and therefore one in which international businesses desire a local presence."

Business clients can create sales and service footholds in South Africa without having to open new offices. Voxbone's self-service Website allows the provisioning of South African numbers in real time.

A list of all covered countries is available at <http://www.voxbone.com>.

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SWAZILAND:

Alternative power options considered by MTN

Solar power is an option being considered by MTN due to the flaky nature of the supply network of the Swaziland Electricity Company (SEC), which suffers from regular power cuts, and resulting network downtime.

MTN staffers attended a workshop conducted by Seg Solar Energy in May, according to a report by the Observer newspaper.

Seg Solar Energy's Director Warner Sebastien said with the capital resources commanded by companies like MTN, the operator would be able to set up its own photovoltaic power stations, which are sizeable projects but with the potential to produce hundreds of megawatts of electricity.

A major benefit with solar is ownership and the resulting guaranteed supply, but there also has to be adequate backup storage facilities.

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TOGO:

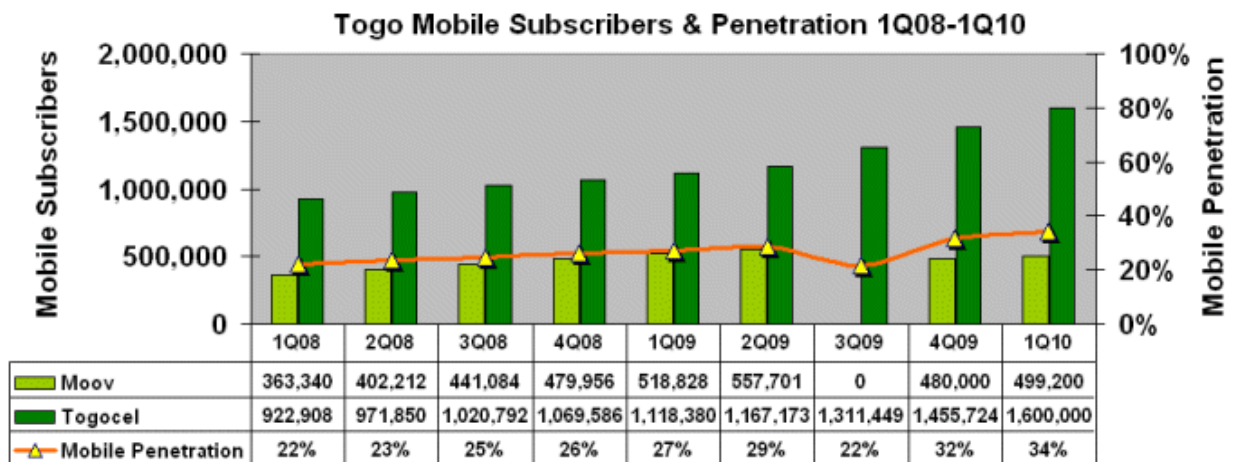
Third operator within the year says President

The Togo ambition to develop the telecommunications sector. The Prime Minister recalled Friday in his policy speech.

Prime Minister Gilbert Houngbo has said that the government wants to see 15 percent of the population with Internet access by 2015. A key element of this will be the creation of a competitive market coupled with the restructuring of the Togocel through a public-private partnership.

Houngbo also said that a third mobile operator will be granted a licence in late 2010 or early 2011.

In late 2005 fixed line operator Togo Telecom had 59,000 customers, whereas today it has more than 200,000, whilst Togocel has achieved 1.6 million subscribers.



Source: industry sources, Blycroft estimates c. Blycroft 2010

In 2005 broadband did not exist in Togo, whereas five years later there are some 70,000 ADSL users. However, bandwidth stability remains variable due to the current dependency on Benin and Côte d'Ivoire. The President noted that this will significantly change in late 2011 with the connection to the submarine cable between South Africa and the UK.

Togo Telecom has had when he called "great success " with the introduction of its Illico CDMA network in 2006. Illico is favoured in rural areas for its good coverage and affordable prices. This service has attracted some 130,000 subscribers without cannibalising existing users.

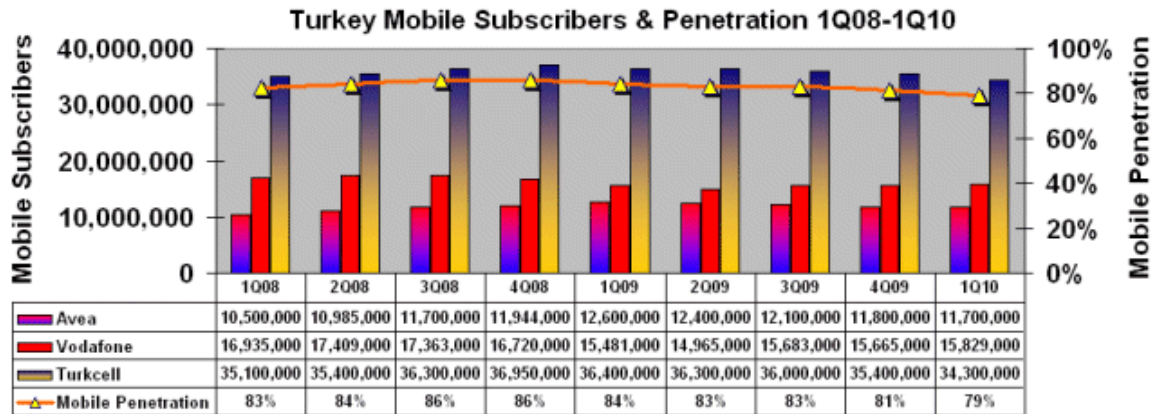
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TURKEY:

Turks third most talkative in Europe

The Informational Technologies and Communication Authority has published a review of Turkey's ICT market in the first quarter 2010. The average monthly mobile usage per subscriber use was 195.7 minutes, placing Turkey third in Europe after France (249 minutes) and Ireland (231 minutes).

Avea subscribers top the league table at 264 minutes per month, whilst Vodafone in second with 200 minutes, and Turkcell is ranked third with 163 minutes. The report put Avea with some 11,550,000 mobile subscribers, Turkcell with 34,260,000 and Vodafone 15,720,000, giving a total of 61.5 million. This translates as Turkcell with a market share of 55.7 percent, Vodafone 25.5 percent and Avea 18.8. There are slight variations from the totals published by the operators in their routine quarterly reporting.



Source: industry sources, Blycroft estimates c. Blycroft 2010

The report said net revenues of Turk Telekom and mobile operators were up 1.5 percent in 2009 over 2008. The operators earned some USD 12.9 billion from their net sales in 2009. In the first quarter of 2010 Turk Telekom had a net revenue of USD 1.13 billion, Turkcell USD 1.31 billion, Vodafone USD 425.2 million and Avea USD 403.2 million. Total net sale revenues of the mobile operators therefore reached USD 3.21 billion in the first quarter.

At the end of the 1Q 2010 there were over 7.4 million Internet subscribers, up 9.4 percent over the previous quarter. The number of mobile Internet users was over 640,000 in the 1Q 2010. The number of 3G subscribers reached almost 8.7 million by the end of March.

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UNITED ARAB EMIRATES:

Etisalat considers further Indian ventures

Etisalat is reported to be talks with Reliance Communications (RCom) over the acquisition of a 25 percent stake and has appointed investment bankers to advise on the deal. RCom needs to finance its 3G aspirations, while Etisalat would have access to India's second largest mobile player with a subscriber base of more than 100 million.

RCom recently won 3G licences for 13 circles in the 3G spectrum auction at a cost of INR 85 billion (USD 1.8 billion).

Siddharth Maheshwari, Datamonitor's R&A director of company and market intelligence said that bringing in Etisalat's injection of INR 180 billion (USD 3.8 billion) would reduce the debt-equity level and will give much needed capital to rapidly launch 3G and other value added services.

Etisalat already has an investment in India through a joint venture with the Dynamix Balwas Group, where the UAE operator has a 45 per cent shareholding in Etisalat DB. Etisalat, however, will not be able to hold more than 10 percent in more than two companies simultaneously.

For more information on Etisalat, please call +97-126-182-173 or write in to prd@etisalat.ae.

ZAMBIA:

Zamtel deal successfully completes the last lap

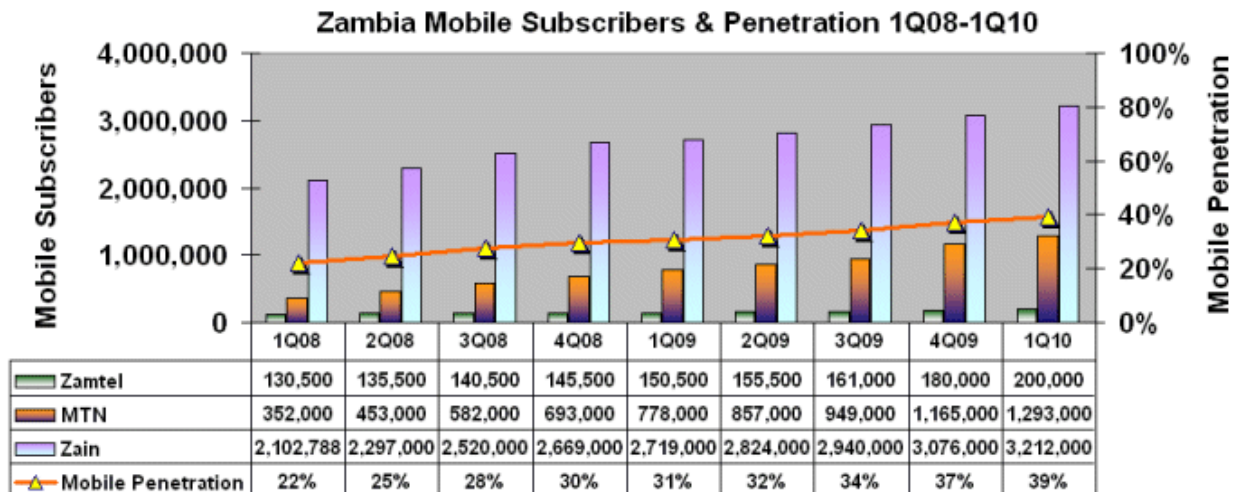
Libyan telco LAP Green has been confirmed as the successful bidder for a 75 percent stake Zamtel, agreeing to pay USD 257 million.

Finance and National Planning Minister Dr. Situmbeko Musokotwane said that he was pleased with price that had been obtained. He added that LAP Green was to also invest a further USD 62 million for Zamtel's network expansion programme, and a further USD 75 million to take over government guarantees relating to expansion projects.

LAP Green group Chief Executive Officer Abdulbassat Elzabi promised that Zamtel will become a force to be reckoned with, adding that it had funds of some USD 5 billion available.

LAP Green has also agreed to provide a full redundancy package for some 2,341 Zamtel staffers, a process apparently agreed to by the unions. LAP Green was one of the four telcos that qualified for the final round of bidding.

LAP Green have some way to go as Zain and MTN are well established: Zain has the lead with 3.21 million million subscribers at the end of March 2010 whilst MTN is placed second with 1.3 million subscribers.



Source: industry sources, Blycroft estimates c. Blycroft 2010

ZIMBABWE:

China paves the way for telecom infrastructure

On the first day of June a series of agreements were signed between Zimbabwe and China, according to a report in the government-sponsored Herald newspaper.

The 25-strong CPC delegation headed by Politburo member Cde Wang Gang had arrived in Zimbabwe on the previous Sunday. Finance Minister Tendai Biti signed a USD 45 million loan deal with the Chinese Ambassador to Zimbabwe Cde Xin Shunkang intended for the development of telecoms infrastructure. No details were released as to how the funds might be deployed or which Chinese vendor might be favoured.

President Mugabe noted that: "As we look around the world, we find that our greatest friend is the People's Republic of China and that it is this great friend we rely upon, in the main, to come to our assistance as we carry out various programmes to rehabilitate and reconstruct our economy."

Country Report

Paul Budde Country Report: Israel - Key Statistics, Telecommunications Market & Regulatory Overviews

The full report is in the [Subscriber Archive](#)

SYNOPSIS

Israel has a very competitive and dynamic telecommunications market with one of the highest mobile penetration rates in the world and one of the highest household broadband penetration rates. This report introduces the key aspects of the market with statistics and analysis. It then goes on to overview the key regulatory issues affecting the market in some detail. The nature of competition in the market is changing and the advent of VoIP, triple play strategies and the new digital media puts particular focus on the details of regulation. The local players are heeding these market changes and are re-positioning themselves for the future.

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Additional Information

About this newsletter

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