

Plenty to Smile about over super-fast inroads into African markets

Smile Telecoms is making inroads in Africa with the deployment of its super-fast long-term evolution (LTE) or 4G wireless network while it awaits clarity on the radio spectrum frequency in SA.



Stuart Miles via [freedigitalphotos](#)

Founded in 2007 by businesswoman Irene Charnley, SA-based Smile's objective is to become the broadband provider of choice for superfast data in each of its markets - Tanzania, Uganda, Nigeria and soon the Democratic Republic of Congo.

The network enables ultra high-speed internet access with connection speeds many times higher than 3G, translating into faster downloads and stutter-free video.

Charnley, a former executive at MTN, says there is a huge opportunity as more than 60-million internet users in its three-country market have access to 3G networks. "The opportunity is to move them up (to LTE) to give them far better experience," Charnley says. Smile sees potential customers at 300-million in its first four countries.

Complementary to existing operators

Last week, Smile raised about \$365m in funding, which will accelerate its network rollout in the continent and help it achieve national coverage in the markets where it operates. Smile competes with mobile network operators such as Vodacom in Tanzania, and MTN in Uganda and Nigeria.

However, Charnley sees Smile being complementary to existing operators. "We always position ourselves as complementary to other operators. We don't go head on, we just complement what they are doing," she says.

According to Charnley, the company is in talks with a number of content providers. "Our philosophy is to work with anyone who can add value. We need to have an impact across the continent," she says.

Industry organisation AfricaCom expects LTE users to grow to 318-million by 2019 from three million. It says LTE accounts for only 1% of mobile usage on the continent.

Waiting for allocation of radio frequency spectrum

Smile has also set its sight on SA. Mobile network operators and other interested companies have been waiting for the allocation of the radio frequency spectrum to enable them to accelerate the LTE network rollout. But the availability of the spectrum is subject to the migration from analogue TV broadcasting to digital. This will release the spectrum for mobile-related services.

By the time such spectrum is made available to companies, Smile aims to be far ahead with its LTE network coverage across the continent. "While we wait for that (regulatory process), we are extending broadband in other countries, making us the most experienced operator when SA finally issues spectrum," says Charnley.

Lucky Masilela, chairman of the SA Communications Forum, which aims to create a digital society, says the impact of the delay in allocating spectrum is being felt not only in the telecommunications industry but throughout the continent.

The government has set a target of creating five million jobs and reducing unemployment from 25% to 15% by 2020.

Lack of access to spectrum hurts

Broadband has the potential to bring significant benefits across the whole economy, says Masilela. "In many countries, the internet has become the fastest driver of economic growth, and SA is no exception," he says.

Masilela says the lack of access to spectrum, among other things, hurts operators' ability to reduce the costs of communication, which would encourage access to information and knowledge networks for personal, community and national growth.

Charnley says regulations and requirements in the countries where Smile operates are clear, and transparent and are not "ambiguous".

Source: Business Day

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