

## Want fibre broadband? Demand it

By <u>Duncan Alfreds</u> 22 Jun 2015

CAPE TOWN: Accessible fibre broadband will be rolled out in high-density areas if residents demand it, says a provider.



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Fibre broadband provider 123Net is rolling out internet access on a demand basis where you can pay R3,600 once-off for an internet service.

"We require at least 300 - 350 non-binding signups submitted on our website in order to start investigating and then planning a potential roll-out in any one area," Kalin Bogatzevski, chief executive officer of 123Net told Fin24.

He said that the company had no specific game plan for Johannesburg suburbs yet as it has to date targeted areas in Durban. "We have several requests from different areas in Johannesburg including Paulshof, Bryanston and Sandton. However, as of yet, we are still not planning any specific area for the roll out since our network is currently built based on the demand."

However, Cape Town residents will soon be able to access fibre to the home service from 123Net, said Bogatzevski. "We have just been granted our Icasa licenses for Cape Town. Our engineers are already working to find the best way to start rolling out in the area. Hopefully, we can start in the next couple of months."

To lobby for inclusion in the broadband rollout, residents have to register on the website.

## Fibre expansion

A number of providers have initiated fibre to the home plans, but most of these are restricted to higher income neighbourhoods where there is a strong business case for services. However, the local fibre broadband market is burgeoning as Telkom group chief executive Sipho Maseko said earlier this month that there are about 25 players in this space.

"Gated communities, high-density suburbs; cluster complexes. There has definitely been a focus on some affluent suburbs from the providers. I believe it is all based on ROI (return on investment) for the providers and prevalence of suitable fibre routes," said Mark McCallum, chief technology officer at Orange Business Services.

123Net's broadband services are expanding in Umhlanga, Durban.

"The growth is due to the price decreases applied by the incumbents recently (after many years of higher costs since the market deregulated) which is being amplified by many new players entering the market with very competitive offers, which have been made possible predominantly due to the delay in the costs being decreased by the incumbents," said Edward Lawrence, director of Business Development at Workonline Communications which has partnered with 123Net.

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