

# Roaming in Africa

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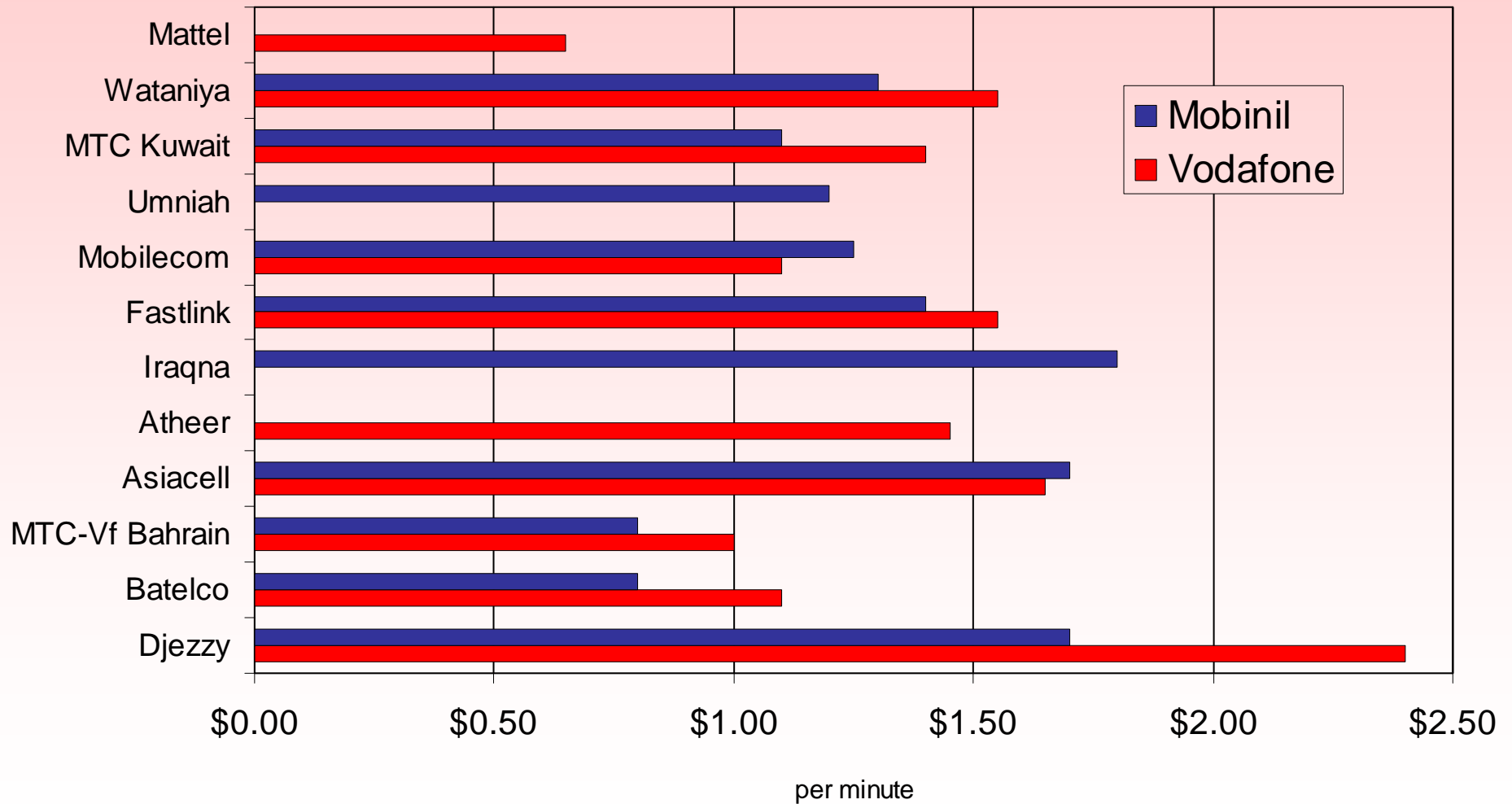
# Introduction

- Introduction
  - borders are generally arbitrary
- Specimen charges
- Growth of GSM in Africa
- Roaming solutions
- Conclusions

# An American roaming from Cape to Cairo

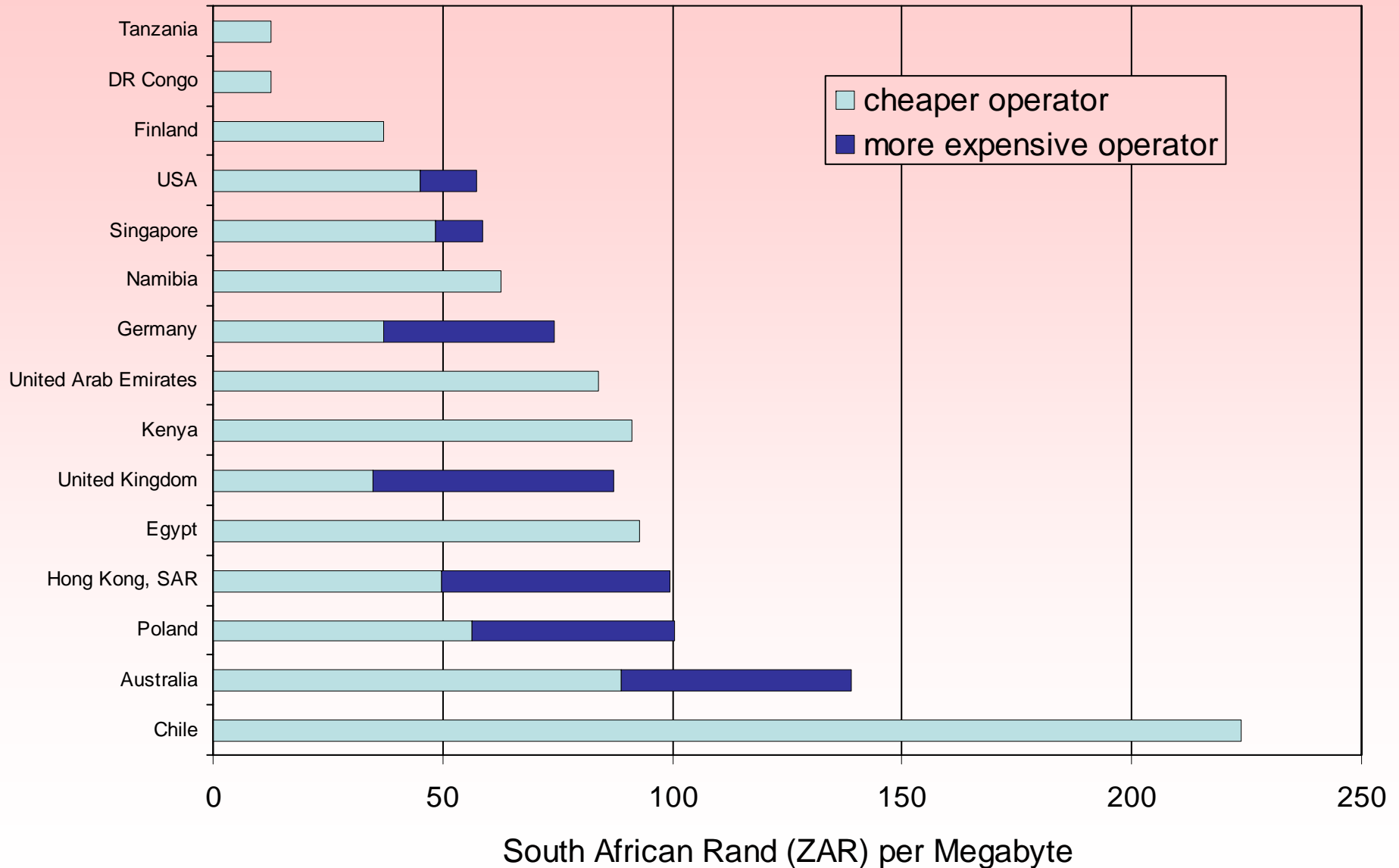
	Cingular standard	Cingular World Traveler	Sprint	T-Mobile USA	Verizon Global Phone
South Africa	\$2.49	\$1.69	\$1.50	\$1.49	\$2.49
Mozambique	\$3.49	\$3.49	\$1.50	\$1.99	\$1.29
Malawi	\$4.99	\$4.99	-	\$1.99	\$1.29
Tanzania	\$3.99	\$3.99	\$1.50	\$4.99	\$1.29
Kenya	\$3.49	\$3.49	\$1.50	\$4.99	\$4.99
Ethiopia	\$3.49	\$3.49	-	-	-
Sudan	\$3.49	\$3.49	-	-	-
Egypt	\$2.49	\$2.49	\$1.50	\$1.99	-

# Foreigners roaming in Egypt

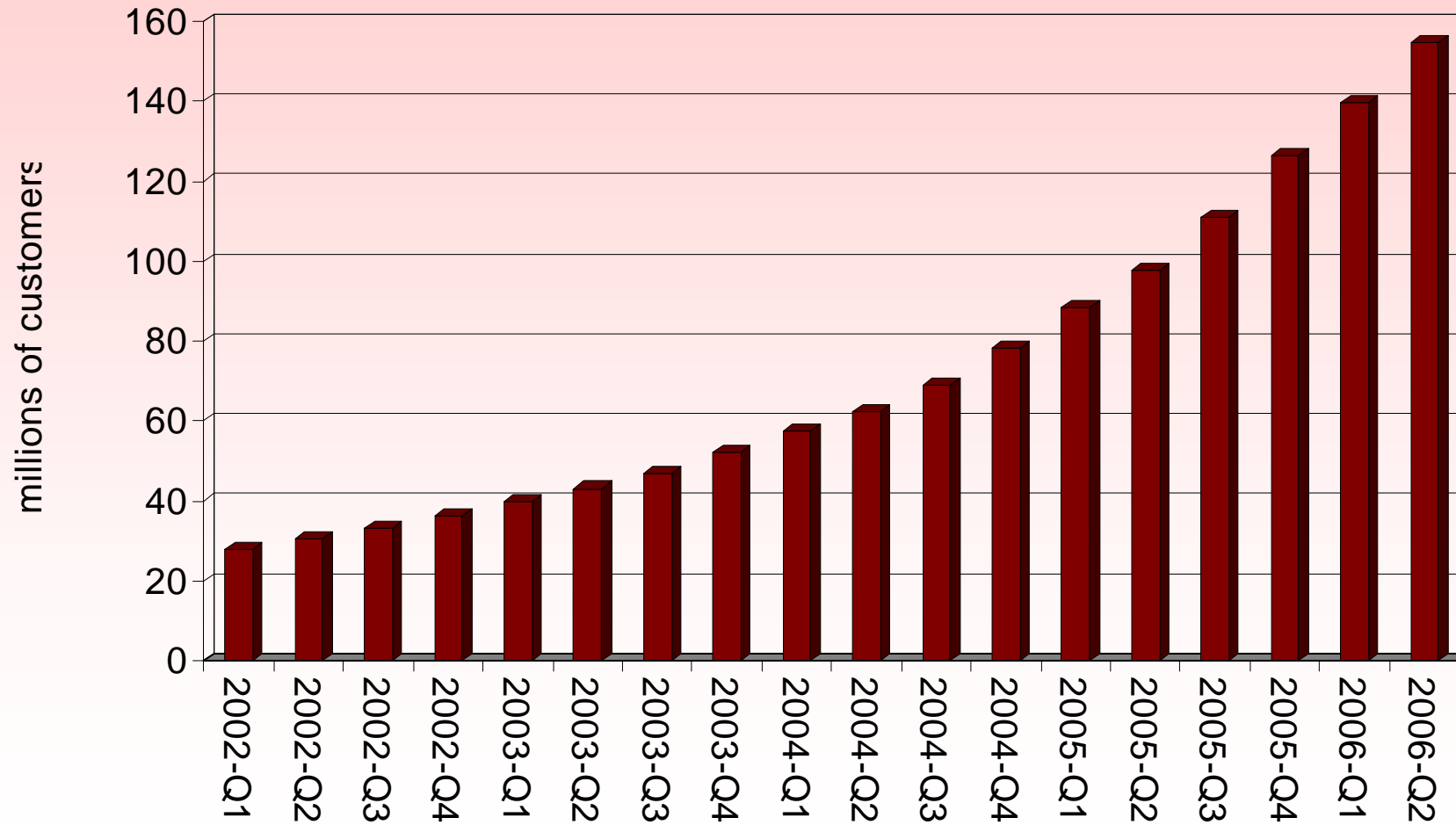


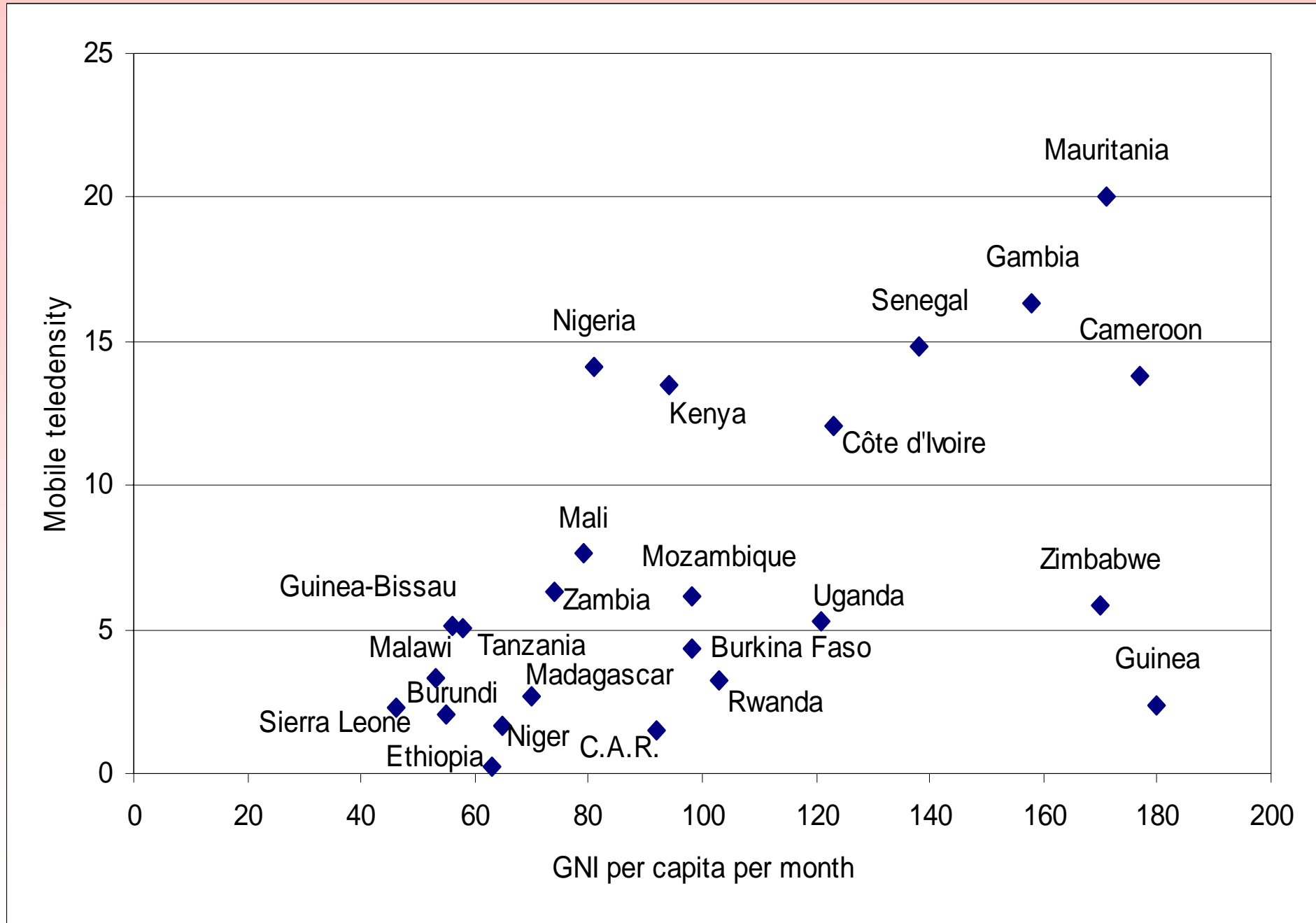
# South African data roamers

US\$ 1 = ZAR 7.76

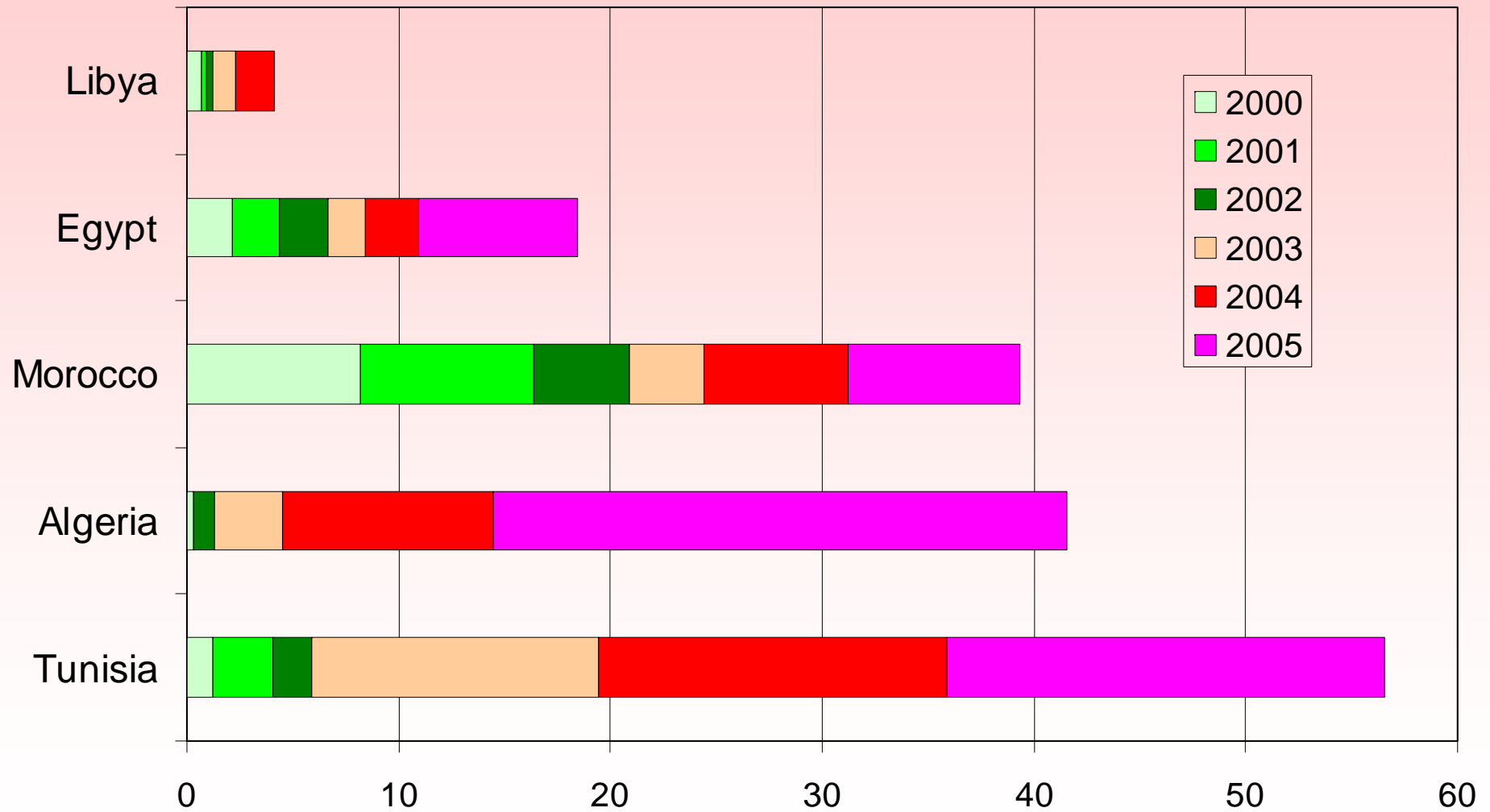


# Growth of GSM in Africa



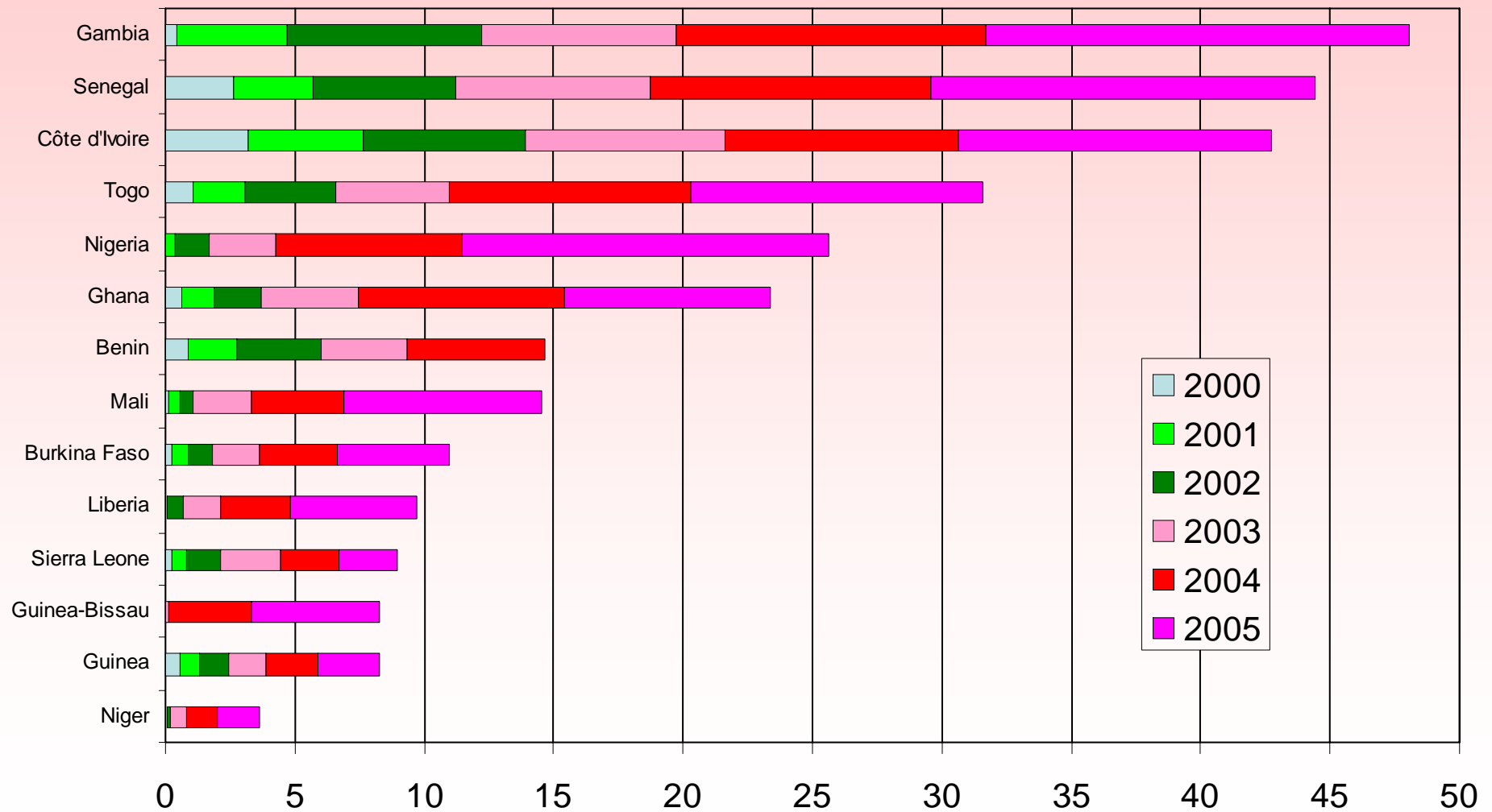


# North Africa

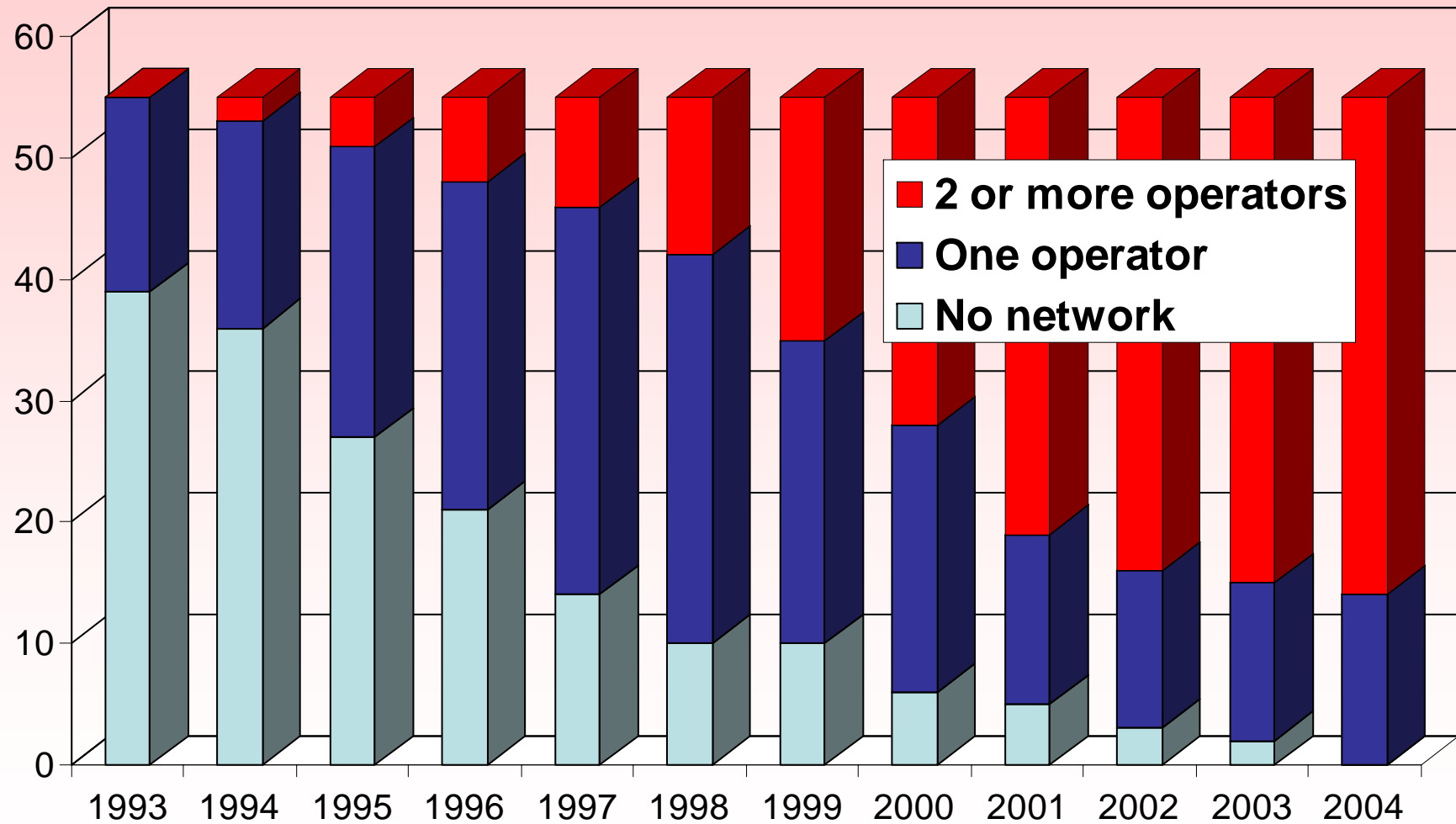




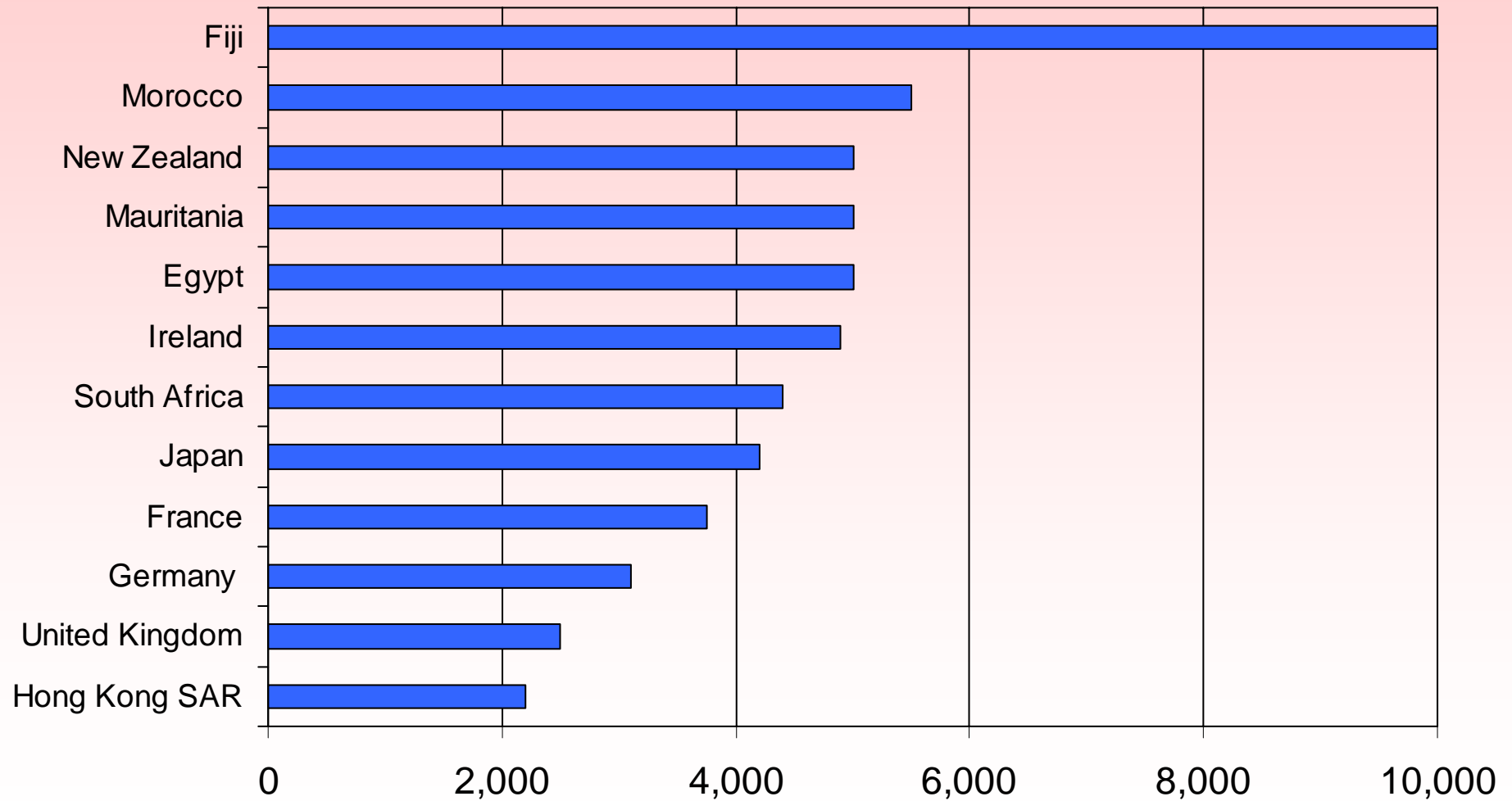
# West Africa



# The rise of rivalry



# Herfindahl-Hirschman Index



# Mobile Africa

- Continuing growth
- Almost exclusively pre-paid
- Heavily concentrated markets
- Geographic consolidation of operators:
  - Millicom
  - MTN and Investcom
  - MTC and Celtel
  - Vodafone and Vodacom
  - Orascom
  - Econet

# The EC solution

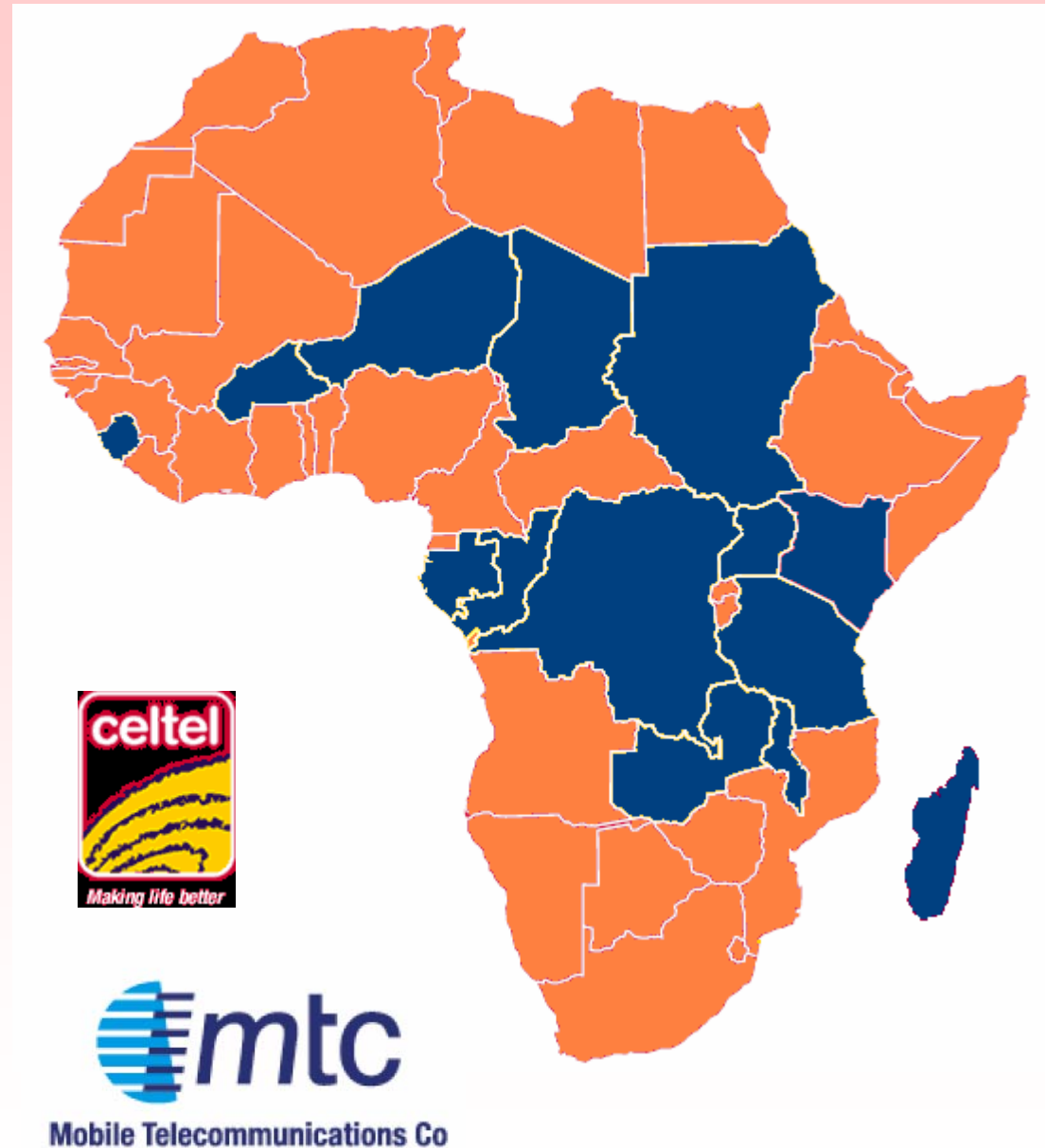
- Set outbound wholesale prices:
  - national call 2 MTRs
  - call to Other EU member states 3 MTRs
- Set inbound calls 1 MTR
- Set a retail margin cap of 30 per cent:
  - before IOTs operators took < 15 % margin
- Faces bitter resistance from mobile network operators
- Still far too expensive for most Africans

# Hong Kong, SAR

- One country, two systems
- One SIM card, two numbers:
  - Hong Kong, SAR
  - China
- Calls handled on the intelligent network
- Can be called on either number at any time
- Can make calls at national rates in both countries

# Celtel

- 14 countries
- 8.5 M users
- 270 M citizens (lots of growth)
- Owned by MTC of Kuwait

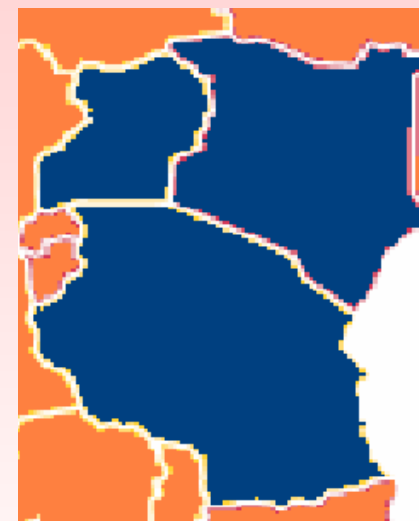


<http://www.celtel.com/>



# Celtel – One network

- Elimination of roaming charges:
  - Kenya
  - Tanzania
  - Uganda
- One network:
  - local rates while abroad
  - no charge for incoming calls
  - can top-up with locally purchased cards
- Will be further expanded





# Conclusions

- Enormous growth of mobile telecoms, mostly pre-paid
- Strong demand for cross-border and trans-national services
- The EC solution is:
  - far too difficult
  - still too expensive
- Some commercial solutions appearing
- Operators using their multi-country footprints

# Thank you

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