



### NEWS IN BRIEF

BT

## BT goes mobile

UK operator adds mobile to its fixed and WiFi broadband packages, but will it be able to gain market share in a competitive field? **PAGE 2**

AFRICA AND ASIA

## Ahuja's new venture

Sanjiv Ahuja's new venture, Augere, plans to connect the unconnected in Africa and Asia using wireless broadband services **PAGE 3**

PRODUCT SUPPORT

## Dongle downsides

New study says mobile broadband support costs can be 200% higher than the cost of supporting mobile phones **PAGE 3**

RUSSIAN SERVICES

## MTS dongles boost

Russian mobile operator says improved distribution and prices have boosted sales of its mobile broadband devices **PAGE 3**

UAE SERVICES

## Du plans MBB focus

UAE's integrated operator to spend most of capex in 2009 on expanding its mobile network and sees growing need for mobile broadband **PAGE 3**

SPONSORED BY

 **totaltelecom**  
world telecoms council



### ANALYSIS: EMERGING MARKETS

## Opening the floodgates

Reports say pent-up demand for Internet access in Africa, the Middle East and India will drive MBB subscriber growth in these regions

THE OPPORTUNITY FOR MOBILE broadband services in emerging markets is clear: where there is a lack of fixed infrastructure, there is likely to be pent-up demand for access to the Internet; mobile broadband access services can help fill the gaps.

An article in the May issue of Total Telecom magazine, for example, described how Egypt has benefited from the rollout of 3G services by all three mobile operators in the country. Fixed broadband rollout has been slow, and indeed Telecom Egypt is the only provider still of fixed access services in the country. But since the advent of 3G, the government estimates the number of broadband users, both fixed and mobile, has risen to around 15 million.

Other emerging markets are also set to see rapid growth of mobile broadband take-up, according to analyst reports: Pyramid Research predicts there are boom times ahead for mobile broadband in Africa and the Middle East. Thanks to mobile services, it expects broadband penetration in the region to rise from 3% in 2008 to 6% in 2014.

"In AME—a region we define as Africa, Iran, Turkey, the Gulf and the Levant—mobile operators are eager to take advantage of this opportunity, routinely offering mobile broadband as their first or even their only 3G service following their 3G network rollouts," Pyramid says in a research note. "We expect mobile broadband adoption in AME to grow faster than the global average over the next five years, with the subscriber total increasing at a CAGR of 33% to reach 32.2 million by 2014."

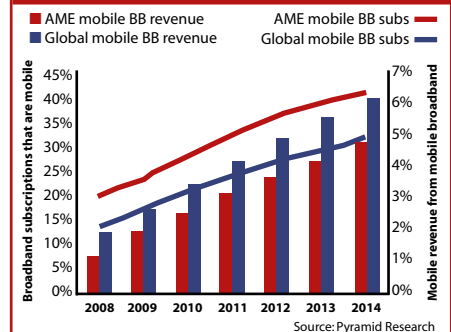
In its analysis Pyramid defines mobile broadband purely as an Internet access technology for PCs, discounting browsing on any kind of handset. It notes that given the potential still remaining for mobile voice growth in Africa and the Middle East, "mobile broadband will generate only a modest 5% of total mobile revenue regionally by 2014."

But Pyramid predicts that the current unmet demand for Internet access in the region, coupled with the lack of fixed network access, "means that from 2008 through 2012, AME will lead the world in terms of the percentage of broadband subscriptions that are mobile" (see chart). The company predicts that in terms of subscriber numbers, the largest mobile broadband markets in the AME region will be South Africa, Turkey, Saudi Arabia and Nigeria, accounting for 41% of the region's mobile broadband subscribers and generating 36% of its mobile broadband revenue by 2014.

A separate report by Maravedis and local consultancy company Tonse Telecom Pvt describes similarly pent-up demand for Internet access in India, but notes that "the Indian broadband sector continued to be filled with alternating moods of despair and hope as the government announced and postponed spectrum auctions with remarkable deftness."

According to the report, there is room for both 3G and WiMAX technologies in India: "We expect the floodgates to open" once key enablers such as pro-industry regulation, low-cost handsets and spectrum are in place. It predicts 13.5 million WiMAX subscribers in India by the end of 2013, up from 250,000 in 2008. ■ *Anne Morris*

**MOBILE BROADBAND IN AME AND GLOBALLY: SHARE OF SUBS AND OF REVENUE**



[Click here for related stories](#)

BT

## BT adds mobile

UK operator finally adds mobile to its fixed and WiFi broadband access packages, but will it be able to gain market share in a competitive field?

Fixed operator BT is the latest to launch consumer mobile broadband services in the UK; it has taken the approach of integrating the service with its existing fixed broadband services and claims it offers the cheapest home and mobile broadband package in the UK.

According to Steven Hartley, senior analyst at Ovum, this is a “canny” approach by the operator, which views mobile “as a value-add to its fixed broadband service rather than a separate new revenue stream”.

Ovum said BT is able to make use of its strength in the fixed broadband market to ensure that its mobile broadband offering stands out from the “me too” services that have flooded the UK market. The operator is offering a bundle that includes fixed and mobile broadband, as well as unlimited WiFi hotspot access and other broadband “value-added services”, such as free security and online back-up.

But Hartley warns that BT’s lack of a mobile network will hinder its commercial prospects. “Our main concerns for this offer hinge on the amount BT is paying to use Vodafone’s network,” he said. “Its costs per megabyte will be higher than any of the UK’s MNOs and, as a result, its margins will be slim. Yet BT’s offer is very much focused on offering value. The lowest option costs just £15.65 per month over 18 months.”

Current Analysis said mobile broadband was an obvious gap in BT’s offering, but said the company “held off until BT Connection Manager, an application that allows users to choose the best network connection available, was ready for market”. This enables the company to focus on connectivity rather than “plain vanilla access”.

But Current Analysis said BT is playing catch-up on the mobile broadband market, and may find its bundle difficult to sell to users already locked into long-term contracts. ■

## ANALYSIS: LTE NETWORKS

# A problem shared...

Analysts say the LTE network-sharing deal in Sweden could set the trend for future rollouts as operators try to make the business case add up

3G LONG-TERM EVOLUTION is coming, and it’s coming soon: operators and network and device manufacturers are racing to get LTE up and running, and latest network-sharing deals could set the trend for next-generation mobile network buildouts, analysts say.

Wireless Intelligence says Swedish mobile operators are in an “LTE rollout race” after the network-sharing deal between Tele2 and Telenor pitted them against TeliaSonera. Along with Verizon Wireless in the US and Japan’s NTT DoCoMo, the Swedish incumbent is one of the most aggressive operators globally when it comes to LTE and says it plans to roll out services next year.

Tele2 and Telenor have also announced their LTE intentions: they plan to build a joint nationwide LTE network under a joint-venture company and also expect to launch services before the end of 2010. They have set some aggressive targets, with plans to cover 99% of the Swedish population by 2013 and to offer speeds of up to 80 Mbps in rural areas and up to 150 Mbps in urban areas, says Wireless Intelligence.

The fact that Tele2 and Telenor plan to share the cost of building their LTE network gives them a major advantage, and Wireless Intelligence says it expects similar deals to be made elsewhere in the world in the coming months.

“Coupled with [the] next-generation network sharing proposal by the French regulator Arcep, deals such as the one between Tele2 and Telenor in Sweden have the potential to shape the future network landscape,” says Will Croft, an analyst at Wireless Intelligence. “In today’s economic climate, the substantial capex investment for any network deployment is a major stumbling block. Network sharing, meanwhile, lowers both the up-front cost of spectrum and/or equipment, and reduces the risks around delivering a return on investment.”

But how much can network sharing propel the development of LTE? Ovum senior analyst Emeka Obiodu agrees that the announcement by Tele2 and Telenor to jointly build and own an LTE network in Sweden highlights what might become a trend for future 4G networks. The two operators are not only sharing the RAN, or active network components, but will also share their spectrum in both the 2100-MHz and the 900-MHz bands, ensuring nationwide coverage.

French regulator Arcep is also taking active steps to provide guidelines for active network sharing for future 3G networks. “The network-sharing agenda is taking shape,” says Obiodu. “Although Arcep’s proposal is only for 3G, it confirms that network sharing is now high up the regulatory agenda and we expect other authorities to begin to articulate a clear framework for allowing active network sharing both for 3G and 4G,” he adds.

In Obiodu’s view, network sharing will inject life into LTE, the business case for which could otherwise be difficult to make. “Faced with the uncertainties of cost and returns for LTE, operators should begin to look at network sharing for a solution,” he says. “There is bound to be greater call for new LTE networks as governments begin to incorporate mobile broadband in their e-society initiatives. For operators wary of how they will fund their LTE network rollout, Telenor and Tele2 have thrown up a new alternative...With the likes of Vodafone and Telefonica already on the network-sharing bandwagon, it is likely that a joint network build-out will become the de facto format for 4G,” he adds.

Analyst company Maravedis also noted that vendors such as Ericsson, Alcatel-Lucent, Motorola, and Kyocera were heavily promoting LTE technology at this year’s CTIA. “Although there are no commercial LTE deployments today, vendors have conducted many trials and started signing LTE deployment contracts with certain operators,” the company says. ■ **Anne Morris**

[Click here for related stories](#)

**AFRICA AND ASIA**

## Former Orange CEO targets broadband for all

Sanjiv Ahuja's new venture, Augere, plans to connect the unconnected in Africa and Asia using wireless broadband

The former CEO of Orange has set up a new venture to take advantage of the "tremendous opportunities" for mobile and wireless broadband services in markets where fixed-line access is limited.

Augere is the new venture of Sanjiv Ahuja, who stepped down as Orange CEO in 2007. Its key initial target markets will be in Africa and Asia, and its mission is

to bring broadband Internet to the 80% of the world's population where access is currently out of reach through wireless broadband. But there is little further detail available so far on how and when the company plans to pursue its goals.

"Ahuja and his team aim to provide significant returns for investors whilst also developing local corporate social

responsibility programmes," the company said in a statement.

Ahuja said Africa remained one of the few unclaimed communications markets: "Whilst mobile penetration is a respectable 40%, the market for rich data and high bandwidth consumer services remains largely uncontested," he said. ■

[Click here for related stories](#)

**PRODUCT SUPPORT**

## Dongle downsides

Study says mobile broadband support costs can be 200% higher than the cost of mobile phone support

Mobile broadband services are more expensive to support than any other wireless service and are endangering subscriber profitability for many mobile network operators, said a new study from WDSGlobal.

The study found that the cost to support mobile broadband products and services is up to 200% greater than the cost to support traditional wireless products such as mobile phones.

"This means that despite revenue uplift from increased data usage, actual subscriber profitability often remains unchanged and sometimes even worsens," WDSGlobal said in a statement.

The company cites USB and PC Card modems as the area of most concern.

"The average duration of a technical support call for such products is 28 minutes. By comparison, a technical support call for a mobile phone averages just less than 10 minutes," WDSGlobal said.

The company analysed more than half a million "technical" support enquiries over a six-month period. ■

[Click here for related stories](#)

**CONTACT INFORMATION**

Wren House, 43 Hatton Garden, London EC1N 8EL  
F +44 (0)20 7242 4303 ttmag@totaltele.com

|   |   |
|---|---|
| <b>Anne Morris</b><br>Editor                          | anne.morris@totaltele.com<br>+44 (0)20 7827 5944    |
| <b>Richard Silver</b><br>International Sales Director | richard.silver@totaltele.com<br>+44 (0)20 7092 1164 |
| <b>Rob Chambers</b><br>Publisher                      | rob.chambers@totaltele.com<br>+44 (0)20 7827 5971   |

Published by **terrapin**  
www.terrapin.com

**RUSSIAN SERVICES**

## MTS sees booming dongle sales

Russian operator says improved distribution and prices have boosted sales

Russian mobile operator MTS said its dongle sales have quadrupled in the first four months of 2009, and said mobile broadband will help drive Internet access in Russia.

Mikhail Gerchuk, vice president and chief commercial officer of MTS, was not able to disclose actual sales figures, but said the company has sold "hundreds of thousands" of broadband modems and dongles, and is selling more than a thousand a week.

The dongles are typically priced at below \$50, but can be lower in some regions. The improved sales this year are attributed to better distribution and pricing.

Gerchuk said Internet penetration in Russian is around 24%, with just 5% broadband. He said MTS intends to play a major role in boosting Internet connectivity in Russia, both through mobile and eventually fixed access. ■

[Click here for related stories](#)

**UAE SERVICES**

## Du plans mobile broadband focus

Integrated operator to spend most of capex on expanding mobile network

UAE-based operator Du will focus on broadband mobile services this year as demand for its fixed voice and broadband services is adversely affected by the country's slowing property boom, Dow Jones reported this week.


"We believe broadband mobility is more and more important and whatever application we feel the market will need"

the operator will provide, chief executive Osman Sultan was quoted as saying.

Du plans to use most of the AED2 billion capex planned for this year to expand its mobile infrastructure and products range. The company added 252,000 new mobile customers in Q1 of 2009; total active subscribers are 2.75 million. ■

[Click here for related stories](#)

### Bringing broadband to the mass market in high-growth economies

**Alcatel-Lucent**  To accelerate broadband deployment in high-growth markets, Alcatel-Lucent offers a unique approach for telecom carriers to cost-effectively combine wireless and wireline technologies for a high-speed, open IP network delivering affordable and attractive broadband services to all end-user segments. With the Alcatel-Lucent solution, broadband penetration expands beyond first-user uptake to serve the mass market.

Learn more about how Alcatel-Lucent is building on its extensive experience in high-growth markets plus its broadband market leadership to help telecom operators in high-growth markets transform their broadband business.

[CLICK HERE FOR MORE INFORMATION](#)