

AFRICAN TELECOMS CLIENT NEWSLETTER

The African telecoms client newsletter brings you the key regulatory and legal developments in the telecoms sector across Africa.

This issue focuses on the July-September 2016 period, which saw Algeria award 4G licences; Botswana Telecommunications Corporation Limited (BTCL) announce plans to merge with its wholly-owned mobile subsidiary BTC Mobile (beMobile); MTN Nigeria deny fine bribe allegations; the Benin regulator sanction MTN and Glo for poor service quality; and ICASA ordered to stop its 4G spectrum auction in South Africa

Northern Africa

Algeria

4G licences awarded to Mobilis, Djezzy and Ooredoo

On 28 September 2016, the Algerian telecommunications regulator, Autorité de Régulation de la Poste et des Télécommunications (ARPT), [published](#) the executive decrees which authorise Algeria Telecom Mobile (Mobilis), Optimum Telecom Algeria (Djezzy) and Wataniya Telecom Algeria (Ooredoo) to establish and operate 4G networks in Algeria.

The telecom operators will be able to launch 4G services only after paying for a 15-year licence. Additionally, a variable fee of 1% will be levied on revenue generated by each operator using 4G mobile technologies.

Algeria will launch its first communications satellite by 2017

On 28 September 2016, the director general of the Algerian Space Agency (ASAL), Azzedine Oussedik, [announced](#) that Algeria will launch its first communications satellite by June 2017. The satellite, named Alcomsat1, is the result of a project carried out with Chinese partners.

The satellite will be in orbit for 15 years. A Ka-band transponder will be used for internet services and VSAT. It will launch from a base in Xichang, China. Two ground control stations have been built in Médéa and Ouargla.

Morocco

Google Duo also blocked by NTRA

In September 2016, Morocco's National Telecom Regulatory Authority (NTRA) [blocked](#) Google Duo, a Voice over IP (VoIP) app. The VoIP app uses Web RTC, a sub-technology different from that

used by other popular VoIP products such as Skype, Viber, or WhatsApp.

The development follows the issuing on 2 June 2016 of Act 2.16.347 for "*procedures to follow in the case of litigation, unfair competition and economic concentration operations*". The decree aims to prevent anti-competitive telecom-related activities and guarantees users of state-recognised public telecommunication networks exclusivity over all calls forwarded to an end-client.

Tunisia

Tunisian regulator opens fibre sharing consultation

On 26 September 2016, the Tunisian National Telecommunications Authority (Instance Nationale des Télécommunications (INT)) [launched](#) a public consultation process on plans to introduce regulations for sharing and accessing fibre optic infrastructure. The INT intends for the measures to

incentivise rollouts by minimizing costs. The closing date for comments is 26 October 2016.

Government considers awarding contract for digital infrastructure to a third party company

On 19 August 2016, L'Agence Ecofin [reported](#) that the Tunisian government is planning to award the contract for the construction of the infrastructure and provision of digital equipment to a third party company. The construction and modernization of telecommunications infrastructure is at the core of the Tunisie Numérique 2020 (Digital Tunisia 2020) project.

Eastern Africa

Rwanda

Rwanda and Gabon sign One Area Network agreement

On 18 July 2016, the Rwandan president, Paul Kagame, [launched](#) the 'One Area Network' programme which effectively abolishes international roaming charges between Rwanda and Gabon and harmonises mobile voice, SMS and data tariffs in the two countries. The Rwandan president has encouraged other African countries to join the One Area Network.

Central Africa

Democratic Republic of Congo

Helios Towers DRC obtains term loan to finance acquisition of Bharti Airtel's tower portfolio

Helios Towers DRC, the Democratic Republic of Congo (DRC) subsidiary of Helios Towers Africa, [completed](#) a USD 105 million upsizing of its syndicated term loan facility to partially finance the acquisition of 950 telecom towers from Indian group, Bharti Airtel. Following the acquisition, Helios Towers DRC will own 1800 towers in the Democratic Republic of Congo. The facility will also be used to fund organic growth, including the construction of new towers and investment in new power technologies.

Orange DRC to absorb Tigo user base from 1 October

From 1 October 2016, the Tigo DRC legal entity will be [discontinued](#) and Orange DRC will assume all of the wireless operator's rights and obligations. Orange has stated that all Tigo numbers, subscription terms and customer contact points will remain unchanged. The move is part of the USD 160 million takeover of Tigo DRC by its smaller rival, the wireless operator Orange DRC, which was completed in April 2016.

Yozma Timeturns expected to lose 2G licence

The Democratic Republic of Congo (DRC) government is [reported](#) to be looking to revoke the 2G GSM licence of the non-operational Congolese mobile operator Yozma Timeturns. The concession was granted approximately seven years ago. It is expected that the authorities will re-auction Yozma's licence in order to boost competition in the Congolese mobile market.

Western Africa

Benin

Benin regulator sanctions MTN and Glo for poor service quality

On 6 July 2016, L'Agence Ecofin [reported](#) that Benin's Regulatory Authority for Electronic Communications and Post (ARCEP) had ordered MTN and Globacom Benin (Glo) to pay their users FCFA 176.17 million (approximately USD 298,000) in phone credit after finding that the two operators were in breach of the quality of service standards set by the regulator.

The operators have been temporarily forbidden from issuing new SIM cards or providing new value added services. The ban will be lifted if an independent firm appointed by ARCEP finds that standards have improved. In the event of a negative finding, more sanctions may be imposed.

Cameroon

MTN Cameroon expands 4G coverage to 53% of the population

The South-African owned mobile operator, MTN Cameroon, has [expanded](#) its 4G network to three new cities in Cameroon (Kumba, Limbe and Bafoussam). A total of eight major cities, equivalent to 53% of the population, are now covered by MTN's 4G network. In March 2015, the operator paid XAF 75 billion (approximately USD 130 million) to renew its operating licence for a further 15 years and to obtain permission to offer 3G and 4G in

Cameroon. MTN is the country's largest mobile operator by subscribers.

MTN Cameroon suspends non-compliant numbers

From 11 April to 30 June 2016, MTN Cameroon will [run](#) a national identification campaign to confirm the identity of MTN subscribers and identify subscribers who have not complied with current subscriber identification regulations. As recommended by the government, MTN has suspended the accounts of subscribers who have not yet confirmed their identity. Suspension may be lifted within 24 hours if subscribers complete the identification process at one of MTN's service or identification centres.

Ivory Coast

LPTIC awarded fourth Cote d'Ivoire mobile licence

The Regulatory Authority for Telecommunications in Cote d'Ivoire (Autorite de Regulation des Telecommunications de CI (ARTCI)) has [reportedly](#) re-awarded the Libyan Post, Telecommunications and Information Technology Company (LPTIC) Cote d'Ivoire's fourth mobile telephone licence. The operating concession was initially revoked in April 2016 after concerns about poor quality of service and unpaid taxes. The other three operators in the country's mobile market include Orange, MTN and Moov.

Nigeria

MTN denies fine bribe allegations

On 23 September 2016, MTN Group said that it did not pay a bribe to

officials to have its fine reduced as part of settling a dispute over its failure to disconnect unregistered SIM cards.

[According](#) to the Nigerian Tribune, MTN said in a statement that there was no truth to the allegations that a top official in the Nigerian government had taken a payment towards reducing the fine. In June 2016 MTN agreed to pay a reduced fine of \$1.05 billion (N330 billion), a substantial reduction from the \$5.2 billion (N1.04 trillion) levied against it in October 2015. MTN said the fine will be paid by MTN Nigeria over a three-year period

Senegal

Senegal wants digital industry to generate 10% of GDP by 2025

On 22 September 2016, the director general of the Senegal's organization of ICT professionals (OPTIC) Antoine N'Gom [announced](#) that Senegal, through its recently approved new strategy Senegal Numerique 2025 (Digital Senegal 2025), intends for digital to generate 10% of its gross domestic product. The overall cost of the digital strategy is expected to be FCFA 1,245.9 billion, of which 73% will be provided by the private sector and 17% will come from the public sector.

Government picks ATOS to manage national fibre optic network

On 6 July 2016e, L'Agence Ecofin [reported](#) that the French digital services firm ATOS Senegal was selected to manage Senegal's optic fibre network. ATOS will replace the Chinese firm Huawei in the installation of 3,000km of optic fibre in Senegal. This adds to an

already operational 1,500km of optic fibre previously installed by the State IT Agency (ADIE).

Togo

Togo considers new tender for ISP licences

Togo's Council of Ministers has [instructed](#) the Minister of Posts and Digital Economy, Cina Lawson, to issue a tender to award three new licences to ISPs in Togo. Lawson is expected to award 4G LTE mobile service licenses to Togocel and Moov Togo, majority owned by Maroc Telecom.

Southern Africa

Botswana

BTCL and beMobile merge

On 23 September 2016, *BizTech Africa* [reported](#) fixed line operator Botswana Telecommunications Corporation Limited (BTCL) had announced plans to merge with its wholly-owned mobile subsidiary BTC Mobile (beMobile). beMobile is the smallest of the country's three mobile operators, with the other two owned by MTN and Orange. The Botswana government holds 100 percent equity in BTCL.

Madagascar

Orange Madagascar to launch 4G by end of 2016

L'Agence Ecofin [reports](#) that Orange Madagascar is aiming to introduce commercial 4G services by the end of 2016. To facilitate the launch, Orange Madagascar is looking to partner with the fixed-line company Telma to use Telma's fibre-optic backbone network.

Orange Madagascar will continue to invest in its 3G infrastructure.

Mozambique

INCM cracks down on unregistered SIMS

On 1 September 2016, the National Institute of Communications of Mozambique (INCM) [announced](#) it would start blocking three million phone numbers connected to unregistered SIM cards operating on the networks of Vodacom, Mcel and Movitel. INCM approved Decree No. 18 / 2015, on 28 August, 2015 giving all users until 28 November 2015 to register their details or face deactivation of their account. Whilst progress has been made by all the operators, INCM has said between 3 September and 30 November 2016, all the SIM cards of subscribers who have not made appropriate registration would need to be blocked.

South Africa

Cell C score victory over MTN in number porting dispute

On 6 September 2016, the Johannesburg High Court issued a court order preventing MTN from refusing to port its subscribers' mobile numbers to a new operator if it failed to apply for a transfer within a certain time frame. According to a [report](#) by *ITWeb*, the case had been brought by Cell C due to ongoing problems affecting customers attempting to port to Cell C from MTN where ports were being rejected by MTN for reasons not allowed in terms of South Africa's 2006 porting regulations.

Cell C also lodged a complaint with the Independent Communications Authority of SA (ICASA) against MTN's conduct, and this matter will hopefully be shortly determined by the regulator. For its part, MTN claims it took action to help prevent fraud and the unauthorised porting of its numbers.

ICASA ordered to stop spectrum auction

On 30 September 2016, the South African telecommunications minister Siyabonga Cwele [obtained](#) a court interdict to prevent the communications regulator ICASA from auctioning licenses for 4G/LTE broadband. Cwele has previously proposed that a single national wholesale open access network should be established and granted access to the spectrum; operators and other interested parties would be able to participate as shareholders.

South Africa allocates ZAR2.5bn to roll out broadband networks

On 15 September 2016, the South African telecommunications minister Siyabonga Cwele [confirmed](#) that the South African government has allocated ZAR 2.5 billion to deploy broadband networks across the country over the next three years. The initial phase of the project will provide high-speed internet access to eight sites. The government is looking for all carriers to collaborate on the infrastructure roll-out.

Government considers partial privatisation of Broadband Infraco

On 23 August 2016, TechCentral [reported](#) that the South African government is considering whether to partially privatise South Africa's second largest fixed-line operator, Broadband Infraco. Both Vodacom, South Africa's largest mobile operator by customer numbers, and Dark Fibre Africa, South Africa's largest fibre company by network size, are potentially interested.

Tanzania

Tanzanian governmentt completes deal to buy TTCL

Following the signing of a memorandum of understanding (MoU) with minority shareholder Bharti Airtel of India in June 2016, the government of Tanzania [acquired](#) full ownership of the PTO Tanzania Telecommunications Company Limited (TTCL). It is noted that TTCL is planning to list on the Dares Salaam Stock Exchange. The move would be a part of TTCL's five-year plan to raise USD 330 million to expand its operations. TTCL has previously [announced](#) its plans to roll out 4G LTE services across Tanzania.

Zimbabwe

Tender issued to create national mobile user database

On 9 September 2016, the government, through Telecoms industry regulator POTRAZ, issued a [tender](#) for the creation of a National Central Subscriber Information Database System (NACSID). The database would allow the government to hold the

entire subscriber information of the country's mobile subscribers. The Government set out its intentions to establish the database in the [Postal and Telecommunications \(Subscriber registration\) Regulations 2014](#). It stated that the main reasons for establishing a database included the ability to: monitor service providers' compliance with the provisions of regulations; assist with the operation of the emergency call services or assisting emergency services; assist law enforcement agencies in safeguarding national security; assist with the provision of mobile-based emergency warning systems; and authorize or allow for research in the sector. The tender notice deadline is 11 October 2016.

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New website

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