

# : Mobile access for the continent



By Leigh Andrews

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More females in ICT. Registering the unbanked. Proper digital training at schools. Mobile access and affordability. All hot topics at the first day of Mobile 360 Africa...

I attended the first day of the GSMA Mobile360 Africa conference at the African Pride Crystal Towers hotel in Century City on Thursday, 8 October 2015.

The first keynote of the day was titled 'The power to connect, providing access to all'. Michael O'Hara, CMO of GSMA, moderated a panel including the honourable professor Hlengiwe Buhle Mkhize, Deputy Minister of Telecommunications & Postal Services SA; as well as Alex Sinclair, Acting Director General and CTO of GSMA; Jon Frederik Baksaas, Chairman of GSMA; Sifiso Dabengwa, Executive Director, Group President & CEO of the MTN Group; and Ahmad Abdulkarim Julfar, Deputy Chairman of GSMA and Group CEO of Etisalat Group.

Sinclair shared thoughts on the region based on the recently released [Mobile Economy report](#). Starting off with the positives, he noted that increased access to critical services has scaled rapidly, as has continued migration to higher speed networks, with smartphones expected to comprise half of all devices in the region by 2020. This is expected to have significant impact on local economies and makes a strong business case for enhancing connectivity.

## Digitisation on par with the rest of the world, despite digital skill gap

Next, Baksaas spoke of principles of digitalisation of the world being the same globally as they are on the continent. Mobile has had and will have a profound transformative impact, but investment from mobile operators is crucial to this, as we need to address the barriers and work to lower thresholds. He said that the focus going forward needs to be on connectivity, as the mobile phone is there for all, rich and poor, no one should be excluded.

That said, nearly a quarter of the global population is still not there - it's by no means just an African problem. The areas we critically need to address are extended network coverage into remote locations, as well as removing the affordability barrier by lowering handset and data price, while enhancing technology. Tackling digital skills gap and lack of Internet awareness is another big area to be worked on, as is increased availability of local relevant content to engage people.

Baksaas says mobile money remains a key enabler for financial inclusion, dominated by person-to-person transfers and airtime top-ups. Another one is the identity of the unregistered - with mobile networks and government in general - as the ability to prove that you are who you say you are is critical in addressing basic services. It's key to creating a flourishing digital economy. There are currently 1.8b unregistered adults in developing nations, and only 44% of children are

registered at birth. This links to privacy and personal data issues and the need to create and manage a secure universal identity.

## **Where are all the girls in ICT and mobile development?**

Professor Mkhize then spoke next of MTN's leadership role across the continent, providing a contextual feel for the situation in SA as well as a large part of Africa as a whole. She said the SA mobile sector began to emerge shortly before we entered democracy in 1994 with two mobile network operators. Through government intervention and spectrum and regulation, the operators' growth in influencing the continent was supported. As a result, we today talk of almost 200% penetration, even in rural areas. Now, policymakers are looking at this form of technology to improve the education system. It's a process of continuously creating a conducive environment through tax-breaks and incentives. She also mentioned that banks have not allowed new entrants into the market for now so there's a large unbanked portion of the population - having no banking accounts means you also have no credit record. Luckily, mobile telecommunications could assist with eliminating this exclusion. There are other opportunities that banks have ignored, such as stokvels.



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She also spoke of the lack of local female coders and developers. Government has noted this and is looking to promote gender equality in ICT through a 'techno girls' programme, offering financial aid at universities and ensuring that transformation is underway.

Dabengwa also spoke of handset price as the major inhibitor for growth at this stage, as being progressive and proactive ahead of time has been a challenge across the continent. "Most large cities should have been able to offer contiguous 4G coverage by now, but none have succeeded," she stated.

The fact is, it's impossible to provide these services without sufficient spectrum. That's why long-term infrastructure investment is very much a long-term gain. From an operator point of view, we need a predictable regulatory environment. There's lots of demand, but from a device point of view there are hefty costs associated with importing. In the ideal world, Dabengwa says every school, hospital and at least 50% of homes should have a fibre connection to the internet. Until that happens, data-intensive markets have to seriously consider consolidation, keeping the competition alive but making businesses sustainable. In addition, children need access to the Internet from an early age, and proper training throughout school, is crucial in developing the nation of digital natives we need.

## **Africa's ready for a second mobile intervention**

Julfar rounded out the discussion by speaking of Etisalat's expansion and operation from the UAE to Pakistan and Morocco. He said that Africa, with the sub-Saharan region in particular, is the least penetrated in the world, making it a great hub for growth in next few years through broadband penetration. To get this right, we need a comprehensive change

in mindset, policy-making and regulation. Government intervention to deregulate telecoms took place in most countries in the 1990s to improve competition and penetration, as well as to lower prices and introduce new services. Now, Julfar says another intervention is required as these initial marks have been met. The bar needs to be set higher to create more jobs, increase spectrum for coverage and provide better speed and capacity.

## The true impact of mobile for the continent

The overall sentiment is that as mobile has already driven significant growth, it is predicted to continue to have profound social and economic impact across sub-Saharan Africa. To fully capture the potential benefits though, populations across the region need access to mobile broadband networks and affordable devices and services. Promoting real digital inclusion will require collaboration between governments, mobile operators, Internet service providers, non-government organisations and the broader mobile ecosystem. Improving network coverage is crucial for driving access to the mobile internet, but the economic case presents challenges due to high maintenance costs and a lack of readily available spectrum. That's why affordability remains a key challenge for connecting populations to the mobile internet, despite a decline in device prices. An increase in device penetration and smartphone adoption will enable consumers to fully realise the potential of the mobile internet, but we need to ask what industry solutions can be explored to expand networks and connect more people across Africa...

## ABOUT LEIGH ANDREWS

Leigh Andrews AKA the #MilkshakeQueen, is former Editor-in-Chief: Marketing & Media at Bizcommunity.com, with a passion for issues of diversity, inclusion and equality, and of course, gourmet food and drinks! She can be reached on Twitter at @Leigh\_Andrews.

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