

Rural Netco Ltd.

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CONNECTING THE DOTS



www.ruralnetco.com

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CONNECTING THE DOTS

*The mobile broadband network
that will not only benefit thousands
of people in Tanzania, but potentially
millions across Africa*





Technology today moves at such a fast pace that it is easy for us to sometimes take for granted what we have now compared to what we had only a few years ago.

Take for instance the fact, in a world where one can download a whole movie in a matter of minutes, that before the first cable modem was introduced in 1997 it would have taken the average computer user over 28 hours to download the same sized file using a dial-up internet connection.

As with most new technologies, mobile broadband was initially something of a luxury item, yet within a matter of years prices had stabilised to make it affordable to the masses in developed economies throughout the world. Nevertheless, while people in these economies have grown to accept super-fast internet speeds as the norm, significant work continues to be undertaken to bring this technology to rural, and underserved, areas and their populations.

Rural Netco is a Tanzanian based communications company, working to implement a high speed mobile broadband access network, on which the other mobile operators in the country can connect in order to provide an affordable end-to-end service in areas that thus far have not been covered by such service.

The Rural Netco business model can be best described with the word “wholesaler”. This is because the company is only selling the capacity of its network to the other mobile operators who will be responsible for providing the service to their customers as they do today. This is a new business model, which in all likelihood will go on to attract considerable

demand from other African countries looking to enable future ICT development in rural and underserved areas.

“While such a concept does exist in several developed nations across the world,” explains managing director, Frode Dyrdal, “the idea of a shared broadband network represents a completely new way of doing business in Africa, and one that has taken a great amount of time and effort to conceive and establish. It is through this hard work and commitment that we are now in a position where we believe we have a business model and a solution that will enable operators to extend the reach of their internet offering much further than had previously been possible on a purely commercial basis.”

This hard work has allowed Rural Netco to successfully negotiate the regulatory environment of Tanzania. “From the authority’s point of view,” states chairman, Pekka Kokko, “this is truly a fantastic concept in the sense that by utilising shared infrastructure it will reduce the cost base, both in terms of capital expenditure and operational cost, encountered by the operators and provide them with a more efficient way of doing business. From an operator’s perspective, it will allow them to refocus more of their efforts on their core business



which is providing added value services to their customers, instead of building and managing their own infrastructure in the underserved areas. This concept is also environmentally friendly because by sharing and/or re-using towers the impact on the environment is significantly reduced.”

In bringing this concept to life the company has received a great deal of assistance and support from the Tanzania Communications

Regulatory Authority (TCRA). “TCRA has been very forward looking by strongly supporting the idea of sharing for many years now,” Kokko says, “and we are proud that we are able to help bring it to fruition.”

Kokko is equally keen to praise the assistance provided by Ericsson. “They are very much the know-how partner, in that they initially conceived the concept and supplied the technology that makes the network possible. Their assistance throughout our existence has been nothing short of invaluable.”

Thus far the company has launched commercially with one operator, that being

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Regions in rural Tanzania that Rural Netco now provides coverage to

Vodacom, the largest in the country. Rural Netco is very satisfied with the current volume of traffic that is passing through the network and the management of the company is confident that business continues to develop well. Since the plan is for this to be a shared network the

company is now embarking on a mission to get other operators on board. Negotiations are currently at an advanced stage to the extent that the company has been carrying out a series of interconnection tests while also discussing various commercial agreements.

“From a technical point of view,” Dyrdal continues, “what we are focusing on is

“THE IDEA OF A SHARED BROADBAND NETWORK REPRESENTS A COMPLETELY NEW WAY OF DOING BUSINESS IN AFRICA”



providing consistently high quality broadband coverage in order to create the best possible end user experience. By utilising shared, existing infrastructure between operators we hope to provide coverage to people based in locations where it would previously have been unobtainable or uneconomical. That is the core objective of our work, generating greater levels of service that what currently exists in these rural or underserved areas.”

The short-term target for Rural Netco, particularly over the course of the next 12 months, is to roll out, and in some cases tighten up, its shared broadband network concept throughout the regions of Tanzania in which it is present. In doing so it aims to double its network in terms of size in order to provide more service opportunities for the operators, which will inevitably result in greater broadband access to subscribers.

“Rather than being exclusively tailored for use within Tanzania,” Kokko concludes, “we view this as being very much a universally applicable concept and one that will hopefully go on to fit into a number of different countries throughout Africa that possess similar geographical and demographic features, or indeed shortcomings that need to be remedied. It is an idea that has continued to meet our initial goals and that means having the ability to save everybody money in the long run and ultimately provide cheaper internet access, and more value added services, to the masses.” **B**

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