CLIFFORD CHANCE

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 period which saw Ivory Coast begin looking for a new market entrant; Liquid Telecom and MTN agreeing a pan-African network-sharing agreement; and Zambia examining the case for the introduction of MVNOs.

Northern Africa

Algeria

Annual Report on the Mobile Phone Market published

On 6 September 2015, Algeria's telecoms regulator – the Authority for the Regulation of Post and Telecommunications (ARPT) - published its annual report on the mobile phone market in Algeria for 2014. The report found that:

■ The number of mobile phone subscribers had grown by 9.26% between 2013 and 2014

■ 80.35% (39.79 million) of the 43 million subscribers were signed up to a GSM network

■ 8.51 million (19.65%) subscribed to a 3G network

■ Voice traffic on both the GSM and 3G networks

increased by 3% from 2013, to 87.67 billion minutes

■ Mobile phone density was found to have increased by 7.21% in part due to the introduction of 3G to Algeria

■ Annual turnover for mobile phone operators in Algeria came to 324 billion dinars – an increase of 8.10% from 2013

Morocco

Orange Increases its Share in Meditel

On 24 July 2015, Orange increased its interest in the Moroccan telecoms operator, Meditel, by a further 9%, bringing its holding in the company to 49%. This increase follows a shareholder agreement signed in December 2010, and had already been authorised by the public authorities and the

regulator the Agence Nationale de Reglementation de Telecom (ANRT).

Introduction of 4G+ Network

On 13 July 2015, Maroc Telecom launched its 4G+ network in Morocco. The network will cover provincial centres, major highways and key railway networks. Three international vendors will support the network's deployment – Nokia Networks of Finland, Ericsson of Sweden and Huawei of China.

Tunisia

Survey on the Introduction of 4G to Tunisia

On 4 August, Instance Nationales des Telecommunications (INTT) published a survey on the introduction of 4G to Tunisia. The survey was conducted between 1-21 June 2015 on a

representative sample of the Tunisian population. The objectives of the survey were to (i) examine trends in Tunisian internet usage, (ii) examine the use of 3G users by Tunisians and the degree of their satisfaction with the network and (iii) examine any predisposition of Tunisian internet users to adopt or migrate to a 4G network in the future.

The survey found that 44.6% of users connect via 3G as compared with the 21.2% who connect via ADSL. For those who accessed the internet via a 3G connection, the most popular reason was for social networking. 71.3% of 3G users were satisfied with the service received. In relation to any predisposition to upgrade to a 4G network in the future, 85.6% stated that it was likely that they would be willing to switch if the network became available.

Eastern Africa

Burundi

Merger between Econet Wireless Burundi and U-Com

On 7 July, Econet Wireless Burundi EWB announced it had merged with U-Com (Leo).

The newly formed group will use the Econet name. Econet currently has 2.6 million customers.

Kenya

On 18th September 2015, the Communications Authority of Kenya (CA) published the latest quarterly statistics report for the communications sector. Key findings included:

- Mobile subscription grew by 3.6% to 36.1 million subscriptions
- Broadband subscription grew by 6.1% to reach 5.32 million
- Data/Internet subscription grew by 5.9% to reach 19.9 million
- Mobile money transfer transactions grew 3.5% to 27.7million
- Mobile penetration was recorded at 83.9% down from 85.5% recorded in the previous quarter. The slight decrease resulted from the revision of population statistics in the Economic Survey 2015, from 40.7 million to 43 million.

The CA's figures cover April to June 2015.

Western Africa

Benin

Liquid Telecom and MTN Group Partnership

On 24 August 2015, Liquid Telecom and MTN Group announced a partnership to provide access to each others fixed and wireless networks, even in countries where one party may not yet have a presence.

For example: Liquid Telecom can now offer gigabit-speed services in Benin, Cameroon, Republic of Congo, Ghana, Guinea-Bissau, Guinea, Cote d'Ivoire, Liberia, Nigeria, Sudan, South Sudan and Swaziland. MTN is now able to improve its service to its multinational enterprise customers in Burundi, Democratic Republic of Congo (DRC), Tanzania and Zimbabwe.

Cameroon

Contract awarded to Huawei

On 23 July 2015 CamerPost reported that the telecoms regulator – the Agence de Regulation des Telecommunications (ART) - had awarded a contract to the Chinese equipment supplier Huwaei to supply, install and

operate a centralised database which will introduce mobile number portability to Cameroon. The contract is worth more than XAF1.5 billion (USD2.5 million) and must be executed within seven months.

Ivory Coast

New market entrant sought

On 15th September 2015, Cote d'Ivoire's Autorite de Regulation des Telecommunications de CI (ARTCI) invited Expressions of Interest (EoI) for a fourth telecoms licence operator to join the country's three existing operators, Orange, MTN and Moov. The successful bidder will be expected to deploy networks capable of supporting mobile and fixed telephony, data transmission and internet access. Comments are requested by 30 September 2015, and shortlisted candidates will be announced on 10 October 2015.

Republic of Congo

Mobile Operators Lose 2G and 3G Licences

On 6 August 2015, the telecoms regulator – the Regulation Agency for Post

and Electronic Communications – announced that the mobile operators MTN and Airtel had lost their 2G and 3G licences due to the poor quality of their networks and services.

Mauritania

Mauritel extends its 2G Licence

On 24 July, Mauritel renewed its 2G licence for a further 10 years for a fixed fee of MRO10 billion (USD30.2 million). The company will also be subject to a "variable annual charge" which will amount to 2.5% of its 2G sales whilst it holds the licence.

Nigeria

NCC orders operators to deactivate pre-registered SIMs

On 7 August 2015, the Nigerian Communications Commission (NCC) ordered the country's GSM operators to deactivate all pre-registered SIM cards within seven days or face severe sanctions. NCC's Director, Public Affairs, Mr. Tony Ojobo clarified further that henceforth, all registrations must conform to the data dictionary, technical specifications on finger-prints

and facial images, and the business rule agreed by all stakeholders.

NCC publishes mobile number porting rules

On 1 August 2015, the NCC published Business Rules and Port Order Processes. This document sets out the Business Rules to manage the processes for porting mobile number(s) between the NPC and mobile services providers (GSM and CDMA) licensed by NCC to provide mobile telecommunications service in Nigeria.

This document refers only to Mobile Number Portability, and does not cover Fixed Number Portability (FNP) or any other form of number or service portability.

Senegal

Quarterly Market Development Report Published

The industry regulator – L'Autorite de Regulation des Telecoms et des Postes (ARTP) – published its quarterly market development report for April-June 2015 on 13 August 2015. According to the report:

- The total number of active mobile users was in excess of 14.819 million, up 0.82%
- Orange Senegal continues to dominate the market, with a 56.8% share, although this marks a 0.05% decline in market share from the previous quarter
- Millicom International Cellular-owned Tigo increased its share by 0.07% to 23.41%
- Expresso Telecom's share declined from 19.81% to 19.79%
- Monthly outgoing voice traffic increased by 4.73%, from 4.656 billion minutes of voice traffic to 4.871 billion minutes
- The number of text messages sent fell from 140 million in June 2014 to 131 million in June 2015.

Southern Africa

Madagascar

Airtel Madagascar Renews its Telecoms Licence

On 27 July 2015, Agence Ecofin reported that Airtel Madagascar renewed its telecoms licence for another 10 years, starting 9 July 2015. The licence was due to expire in September 2015 and its renewal by Airtel Madagascar came ahead of schedule.

Under the conditions of the licence, Airtel Madagascar will continue to operate 2G and 3G networks, as well as be able to roll out 4G services in the future. The price of the licence has not been disclosed.

South Africa

ICASA publishes the Information Memorandum for International Mobile Telecommunications

On 14 September 2015, the Independent Communications Authority of South Africa (ICASA) published an Information Memorandum (IM) that provides guidance to prospective applicants regarding the process and criteria to be applied by ICASA in the licensing of the International Mobile Telecommunications (IMT) spectrum. The IM is being published for comments by, and providing information to, prospective radio frequency spectrum applicants who want to offer mobile broadband, wireless access services in urban and rural areas using the complimentary bands IMT700, IMT800 and IMT2600, for the purpose of providing national broadband wireless access services.

Separately, ICASA has published the final version of the Radio Frequency Spectrum Plans (RFSAP) for IMT 2015. This provides conditions and requirements attached to the use of a frequency band in line with the allocation and further guidelines mandated in the National Radio Frequency Plan (NRFP) 2013. These conditions include technical characteristics of radio systems, frequency channelling, co-ordination and details on the required migration of existing users of the band and the expected assignment methods.

ICASA Publishes Conditions on the Vodacom and Neotel Transaction

On 3 July 2015, ICASA issued a consultation on timelines that should be set for Vodacom to comply with the Black economic-empowerment (BEE) Requirement, and the Under Serviced Area (USA) Roll-Out Conditions, as a result of the approval of its bid to buy fixed-line operator Neotel.

The BEE Requirement requires that black economic-empowerment groups must hold 30% equity of the licence

that is being transferred, and Vodacom must also ensure that at least 25% of its broadband expansion using Neotel is in under-serviced areas. Comments were requested by 18 July 2015.

ICASA discusses E-Band licensing

On 8 September 2015, ICASA issued a Discussion Document regarding "the use and licensing of the band 57-66 GHz (V band) and the band 71-76 GHz paired with the band 81-86 GHz (E band)". These bands are most useful for short links providing a high data transmission rate. They are normally used in a paired fashion on the same link, for frequency division duplex-based transmissions. The E-band technologies available could be used for smart devices coupled with bandwidth-hungry applications.

The document examines whether frequency co-ordination and full licensing of E-band links is required, or whether adopting a light-licensing (self-co-ordination) scheme, as seems to currently be the internationally preferred practice for the E band.

Zambia

ZICTA consults on the introduction on MVNOs

On 11 September 2015, the Zambia Information & Communications Technology Authority (ZICTA) issued a consultation on plans to license Mobile Virtual Networks (MVNOs). The consultation provides information on how the MVNO business model works, the types of MVNO business models, how they are regulated in various jurisdictions, and the existing licensing framework in Zambia and its implication on MVNOs.

The public comments will be taken into account before ZICTA determines on whether or not the Zambian market is ready for the introduction of MVNOs. Comments are requested by 9 October 2015.

Zimbabwe

Zimbabwe mandates infrastructure sharing

On 1 September 2015, the Postal and Telecommunication Regulatory Authority (Potraz) published draft infrastructure sharing regulations. The Postal and Telecommunications (Infrastructure Sharing) Regulations 2015 will

introduce compulsory sharing within the telecommunication sector. Under the regulations telecoms providers will be required to: share existing infrastructure; undertake not to construct new infrastructure without providing evidence that it is technically or practically infeasible to share existing infrastructure and that the costs of upgrading the existing infrastructure exceed those of building new infrastructure; share infrastructure on an impartial and non-discriminatory basis; share infrastructure on a first come, first served basis; and ensure that the terms and conditions of such sharing are specified in a written infrastructure-sharing agreement.

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