

Africa's impending growth in LTE networks

Africa has a huge potential for growth in LTE networks, with the current 3 million LTE users expected to increase to 318 million by 2019. However, LTE made up only 1% of mobile usage on the continent this year. What is impeding LTE growth and how can it be improved?



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In June 2015, there were 42 live LTE networks in 21 countries across Africa. With download speeds of 15Mbps on average, ramping up to 60Mbps in ideal conditions, LTE is faster than 3G. This super-fast mobile data and voice network is perfect for improved broadband connectivity on the continent. Especially as, due to a relative scarcity of fixed line networks, increasing numbers of people rely on their phones to access the internet. However, the barriers to a faster roll out are substantial: the high cost of terminals, and a fragmented, regional approach to spectrum allocation to name but a few.

At AfricaCom 2015, the continent's largest Telecoms, ICT and Tech event, expert speakers in the telecoms industry will delve into the key issues of the role of regulation in LTE rollouts and future spectrum release plans.

Driving LTE uptake

According to an Ovum Researcher, Thecla Mbongue, key partnerships and support from governments are essential to stimulate LTE uptake in Africa. The report noted that these should be underpinned by a strategic and coordinated approach to harnessing the potential of LTE to stimulate economic growth through wider and higher-quality broadband connectivity.

Ovum's research also found that better choice of spectrum would drive LTE uptake. This is because aligning regional spectrum allocations will result in a wider and harmonised LTE handset market, creating economies of scale. The report also cited slow licensing, especially in West Africa, as a barrier.

Mbongue further suggested that African governments should reduce import duty on handsets, which - in some countries - can make up to 35% of the cost of the phone. Nigeria with one of the lowest import duty rates at 5%, has set eliminating import duty on devices as a target in its national broadband policy.

Need for a coordinated approach

"Mobile operators need to assess how they can most profitably benefit from extending connectivity options to consumers in Africa with LTE technology. To achieve this, operators must work with regulators to discuss and formulate a coordinated approach to tackling the barriers that prevent 4G uptake. Lower handset taxes, harmonised spectrum allocation, and a framework for network-sharing are all areas that have been proven to stimulate 4G rollout and provide noticeable economic and lifestyle benefits," concluded the Ovum report.

AfricaCom 2015's LTE agenda aims to advance this important discussion around LTE connectivity in Africa with topics including: Ensuring sustainable business models within the sector, enabling effective LTE roaming, and highlighting key technologies that improve network capacity and cell performance. Extending their expertise will be representatives from the likes of Smile Communications, Movitel, Safaricom, Orange, Canar Telecommunications and Pixellife whose Malcolm Ramsay will join a panel to discuss *The Most Important LTE Services to Drive Consumer Adoption*.

Julie Rey-Gore, research director for AfricaCom said: "The telecoms, media and ICT market is more dynamic than ever and showing tremendous growth prospects. The problem is avoiding getting lost in the maze of changing ecosystems, new technologies and disruptive players. Among the many businesses caught in the storm of digital evolution, those coming out successfully are showing a winning combination of market expertise, calculated risk-taking and visionary thinking. This mindset and approach is very pertinent to the roll-out and accessibility of LTE, a key reason why it remains a top agenda item at AfricaCom."

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