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Development of a national broadband strategy in the Middle East and Africa

Part II – How to build a successful national broadband strategy

9 June 2012 • David Eurin

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Analysys Mason has helped many countries to develop or refine national broadband plans

Wales 2004 -2010: *Commercial and technical strategy, business planning, procurement and implementation support as part of National fibre broadband initiative*

European Commission 2010-2011: *Developed a guide for investment in broadband infrastructure, covering small regional roll outs and national interventions alike*

Western Europe 2004: *Analysis of Internet access prices in Western Europe*

UK 2010 onwards: *Cost modelling of next-generation broadband and regional funding allocations*

US 2002-2003 : *Study of US broadband policy for TechNet*

Chile 2007-2009: *Broadband promotion study in Chile*

Libya 2009: *Provided commercial and technical fixed and wireless licence bid support addressing i.a. national broadband requirements.*

Norway 2002: *Assessed the potential social and economic benefits from a scheme to provide broadband to selected public sector sites*

Ireland 2006-12: Design, procurement and implementation support for the EUR 234m National Broadband Scheme

Malta 2011: Techno-economic feasibility of a national FTTH network

UK 2001 onwards: *Broadband planning for regional development agencies on the UK*

EU 2011 onwards: *Socio-economic benefits of broadband in 27 EU countries and private sector funding analysis*

UK 2008: *Broadband stakeholder group models for efficient public sector interventions in next generation broadband*

UK 2005-2006: *Development of broadband scenarios for the BSG in the UK*

UK 2008 onwards: *support to Cornwall council in its Next Generation Broadband project*

Wales 2006: *Study to promote public intervention in "second generation broadband" market*

Thailand 2009: *Development of national broadband plan*

Brunei 2009-2010: *Development of national broadband strategy*

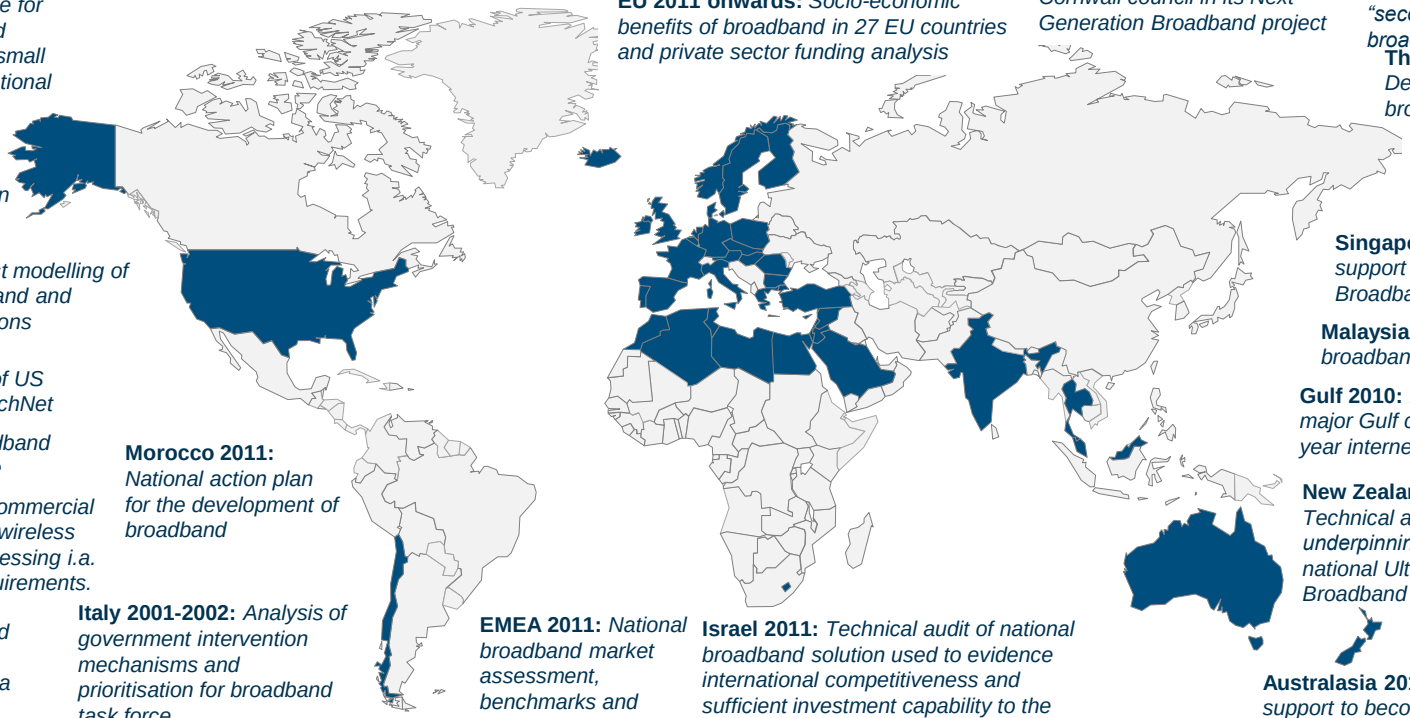
Singapore 2005-2006: *Provided support on Next Generation Broadband Network Initiative*

Malaysia 2002-2003: *National broadband policy development*

Gulf 2010: *Regulatory support in major Gulf country to define three-year internet development plan*

New Zealand 2010 - 2011: *Technical and cost reviews underpinning the Government's national Ultra-Fast and Rural Broadband strategies*

Australasia 2010- 2011: *Operator support to become national partner for ultra- fast broadband solution. Subsequently carried out review of solution and identification of global best practice*



Morocco 2011: *National action plan for the development of broadband*

Italy 2001-2002: *Analysis of government intervention mechanisms and prioritisation for broadband task force*

Egypt 2008: *Provided commercial and technical fixed licence bid support addressing i.a. national broadband requirements.*

EMEA 2011: *National broadband market assessment, benchmarks and forecasts*

Lesotho 2012: *Development of national broadband plan*

Israel 2011: *Technical audit of national broadband solution used to evidence international competitiveness and sufficient investment capability to the Government*

India 2010: *Strategic road-mapping and assessment of drivers for the deployment of a national fibre- optic backbone in India*

Australia 2009: *STEM license, training and modelling assistance for National Broadband project*

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Not one technology, but a combination

- The best overall solution will usually combine several technologies, involving a trade-off of cost, performance and reach that is considered appropriate for each context
- The most suitable mix depends on
  - the economics of the technologies being considered
  - the geography and population of the country concerned
  - the services to be provided to different users and prices
  - the objectives of the country and the budget available

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A roadmap differentiates areas and needs

Areas	Typical technology mix
Very dense areas	• Short distances between nodes • Higher proportion of users able to generate high revenues • Wireline technologies may be economically viable (existing copper or new fibre)
Medium-density areas	• Almost no existing wireline infrastructure • Reasonable level of population density • Terrestrial wireless deployment is likely to be the most viable
Very low-density areas	• Population density does not provide sufficient revenue to support a terrestrial wireless network • Satellite can provide a valuable addition to the mix • Providing access to a central building within a community

We need to avoid the digital divide

- Operators' network roll-outs are based on commercial considerations
- Some groups in the population may not be able to afford the level of prices that operators would need to charge
- There are two ways to minimise this risk:
  - alternative funding models (PPPs)
  - demand aggregation
- National broadband roll-outs can follow two models:
  - universal access to a basic Internet service
  - next-generation services, but with lower quality in rural areas

A range of initiatives must be organised

- We must also take into account:
  - pricing strategies
  - regional differences in consumers' ability to pay
  - availability of compelling services that deliver real value
  - end-users' awareness of services and value-add
- The above must be done in tandem with the private sector
  - avoid transfer of public money into private profits
  - leverage private capital sources
  - encourage private initiatives at national and local levels
- Everything must be done to reduce the hurdles to investment
  - statutory, regulatory, administrative, financial obstacles

Demand stimulation is a key element

- Raising awareness of the availability of broadband services and content
- Coordinated education of businesses and demonstration of the benefits of broadband
- Guaranteed public-sector purchasing
- Incentives (tax rebates or subsidies) for computer equipment or broadband “starter packs”
- Subsidies for satellite access in un-served areas during the period when infrastructure is being deployed
- Pre-registration for new broadband services

There is a standard approach for an NBS

- The following five key areas must be addressed:
  - Institutional and funding actions
  - Supply-side actions and potential interventions
  - Demand-side actions and potential interventions
  - Aggregated public-sector broadband demand/procurement
  - Regulatory recommendations

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A typical NBS document includes the following sections

1. Situation of broadband business and regulation in the country
2. Benchmarking of the development of the broadband market against comparable countries
3. Summary of barriers to widespread availability and take-up of broadband services
4. Scenario model giving alternative approaches to the country's future broadband market
5. Funding of the national broadband strategy
6. Strategic and policy objectives, and fit with ongoing or planned government initiatives
7. Review of on-line content strategies and content funding
8. Implementation plan and recommendations for action

For more details on the development of a sound NBS, see our recent report

Latest insights into the current and emerging themes in African telecommunications – downloadable report.

This report, available for you to download, contains three executive reports that reflect recent work by Analysys Mason in Africa and across the world. All three insights are drawn from unpublished reports providing in-depth analysis and thought leadership across the global telecoms and media industries.

Our *Africa telecoms perspectives 2012* **includes:**

- Developing a national broadband strategy in Africa
- Broadband in Africa: how to make it work
- Spectrum considerations for the Sub-Saharan African market

*http://**www.analysysmason.com**/Research/Content/Reports/Africa-telecoms-perspectives-2012/*

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- The successful development of an NBS will require:
  - A thorough understanding of both:
    - commercial and demand stimulation factors
    - networks and costing issues
    - Therefore key ICT indicators are very important
  - A local mindset: each NBS is unique
  - Very clear objectives and associated budget
  - Transparency and management of stakeholders to encourage private investment, increase end-user awareness
  - A clear roadmap and approach to avoid delays

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