



Broadband costing and pricing – The case of Sao Tome and Principe

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Understanding the santomean context

Small country, small market, big problems

The challenge of satisfying customers with high tech in a low income market

From B.C to A.C period on broadband services

Bridging the digital divide and state of the art technology

A new era on broadband costing and pricing

Understanding the santomean market

Understanding the santomean context

Small country, small market, big problems

Country overview

2 small islands

1,001 Km²

187,000 inhabitants

50% less than 20 years old

1,134 € GDP per capita

Agriculture and Tourism as main economic activities

GDP grows 5% annually

Telecom represents 7% of GDP



Understanding the santomean context

Small country, small market, big problems



Telecom market overview

CST is 51% owned by Portugal Telecom and 49% owned by Santomean Government

15,000,000 € market

CST's estimated market share: 10%

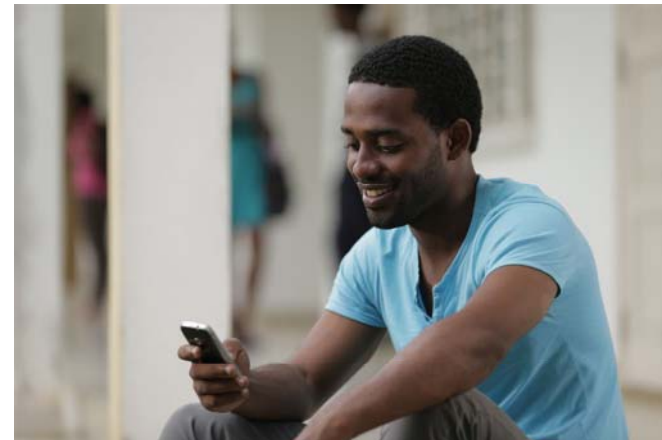
146,201 mobile phone users FY 2014 (CST)

6,700 fixed lines FY 2014 (CST)

25,000 internet users jan 2015 (CST)

13% penetration on **internet**

3G network covering **90%** of the population and **80%** of the territory



Understanding the santomean context

Small country, small market, big problems

Smalls islands specific costs



Import – export costs

Higher supply costs

Higher power costs

São Tome and Príncipe geography

Rain

Power network

Mountains and trees



Understanding the santomean context

Satisfying customers with high tech in a low income market

People desire the same things they see in developed economies

Mobile broadband

Fiber to the home and IPTV

VoIP

Fast downloads

Flat tariffs

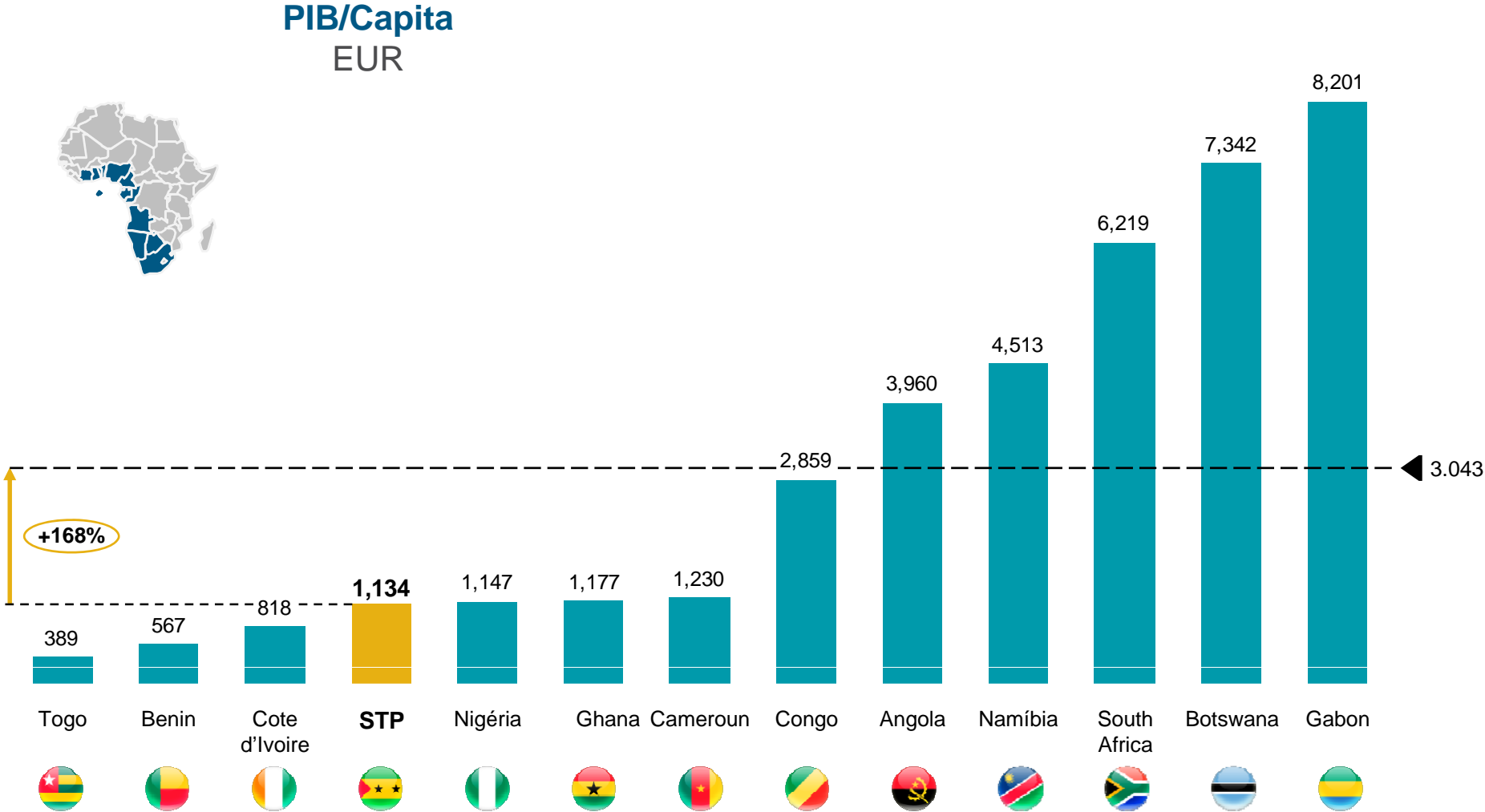
Last Apple and Samsung smartphones

Corporate offer



Understanding the santomean context

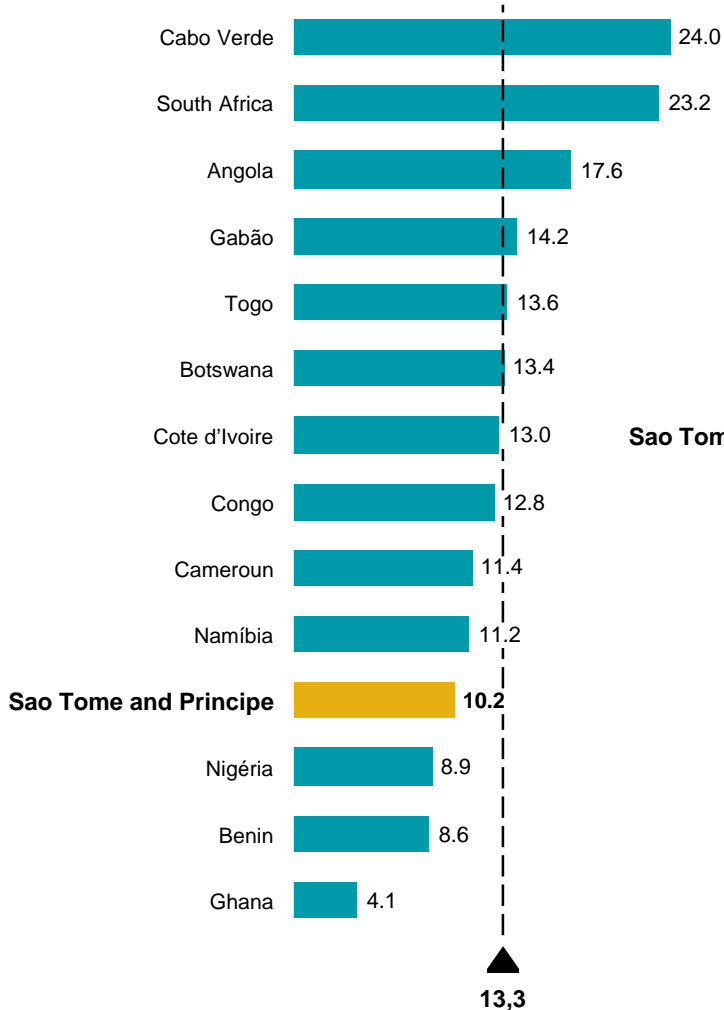
Satisfying customers with high tech in a low income market



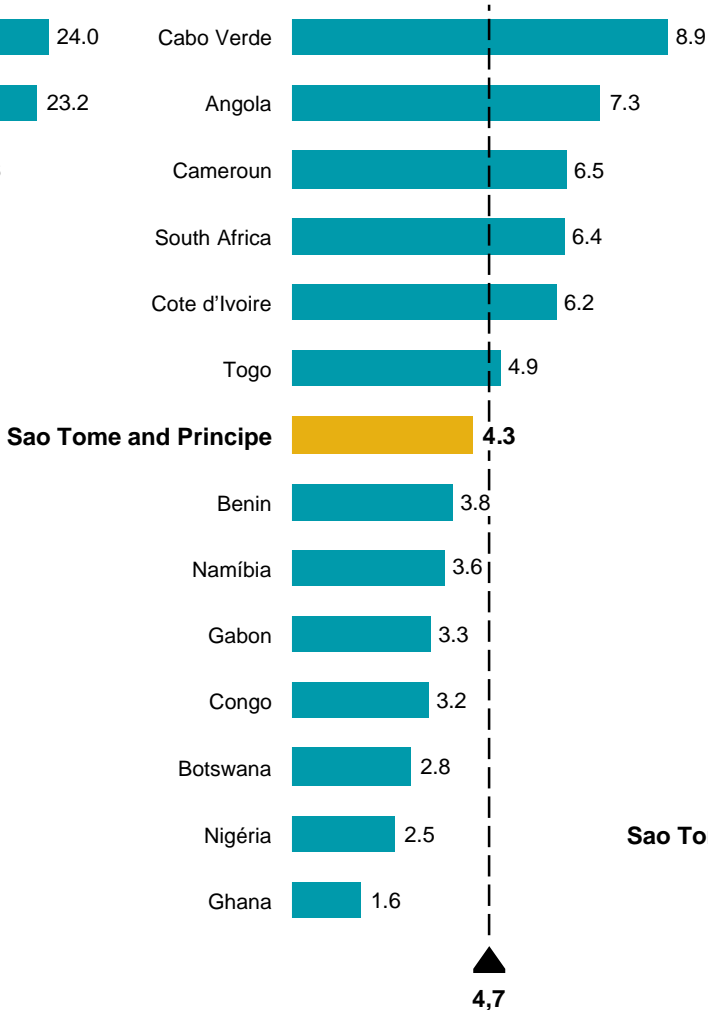
Understanding the santomean context

Satisfying customers with high tech in a low income market

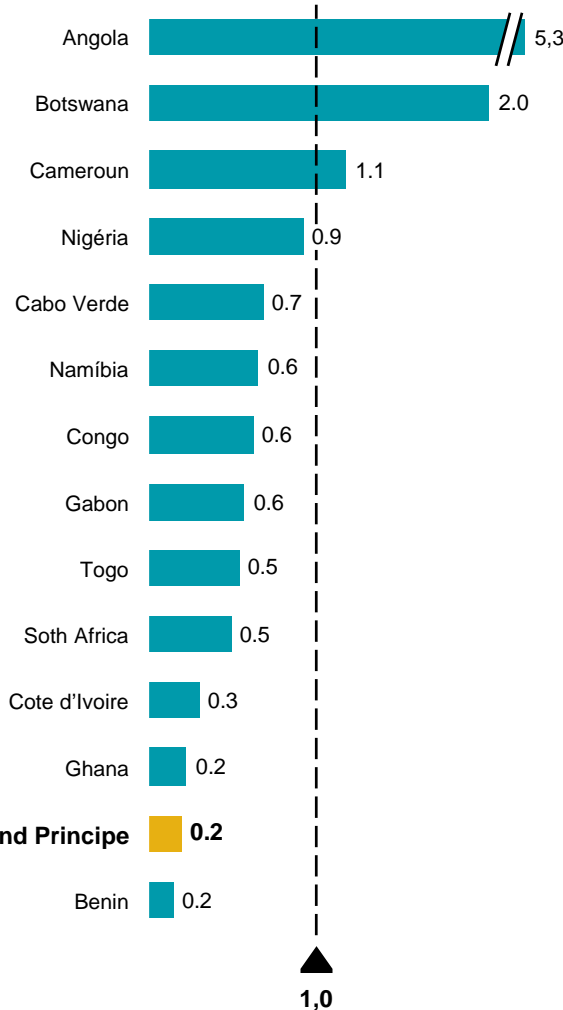
Voice price On-Net
EUR cent./min



SMS price
EUR cent



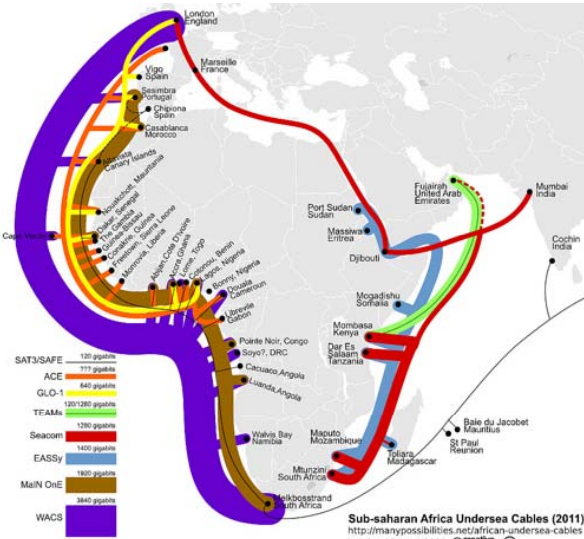
Minimum top up
EUR



From B.C. to A.C. period on broadband services

From B.C to A.C period on broadband services

Bridging the digital divide and state of the art technology

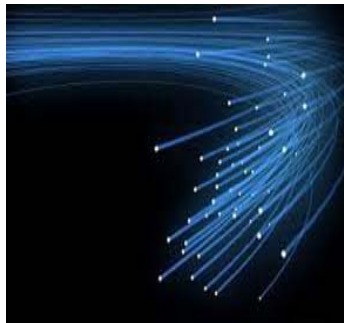


From B.C to A.C period on broadband services

Bridging the digital divide and state of the art technology



- **96%** on internet on the phone MB price, **22.8 x less** than 2 years ago without any “regulatory push”
- Very fast adoption of smartphones



- Fiber to the home** is being replacing DSL for the **same price**
- Selected clients are experiencing **IPTV pilot**

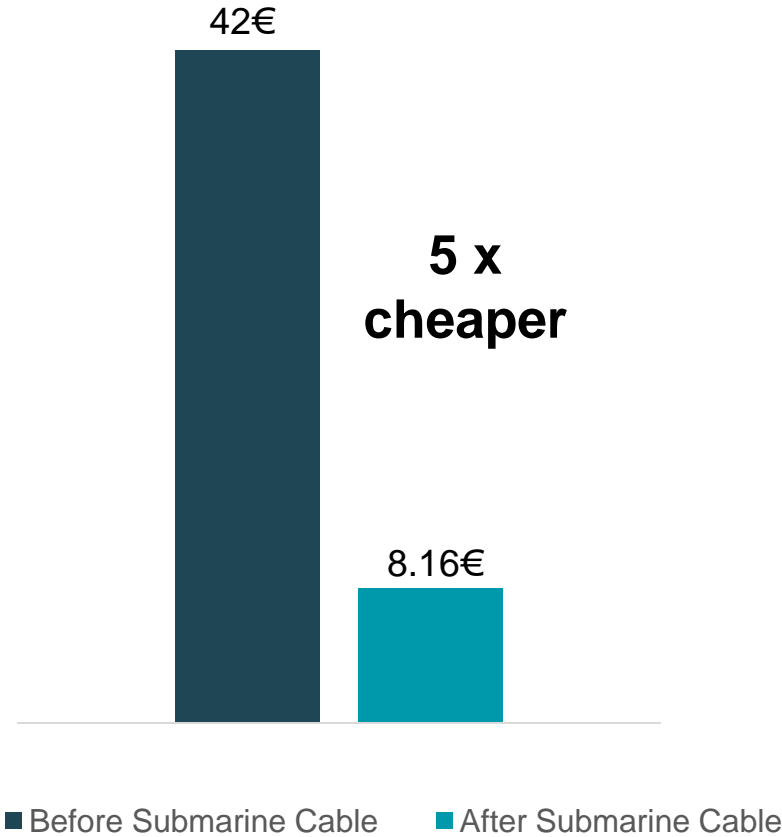


- New business are appearing thanks to **better customers experience**

From B.C to A.C period on broadband services

A new era on broadband costing and pricing

Internet price / month



Broadband equipment becomes free

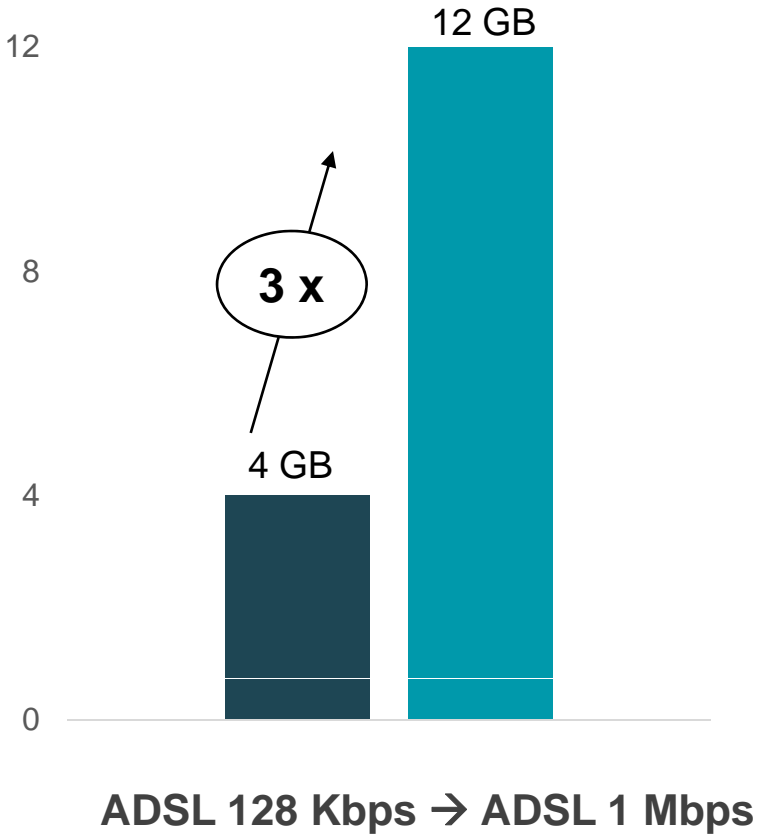
Customers **get back the money** they spend buying CST's broadband mobile equipments by receiving additional MB to use on internet



From B.C to A.C period on broadband services

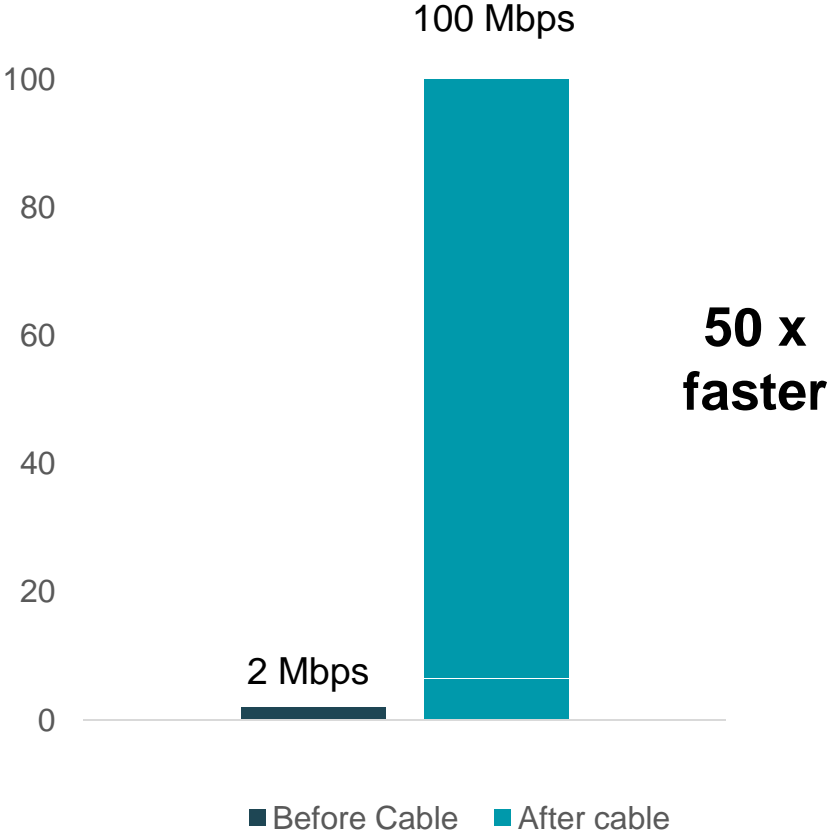
A new era on broadband costing and pricing

GB included in minimum speed



8 x faster

Max internet speed (fiber to the home)



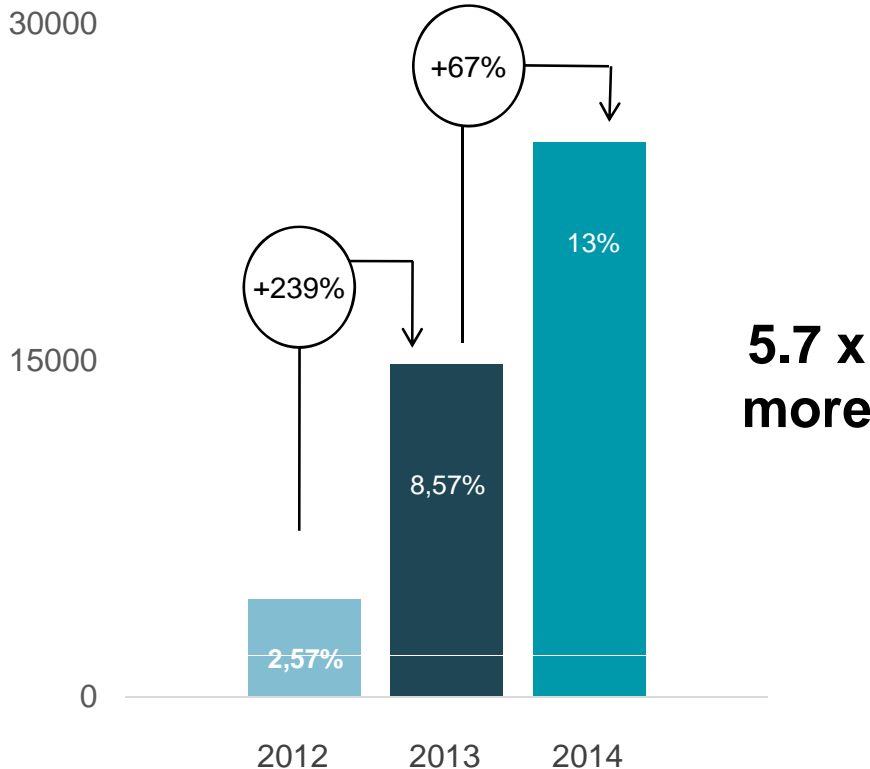
50 x faster

■ Before Cable ■ After cable

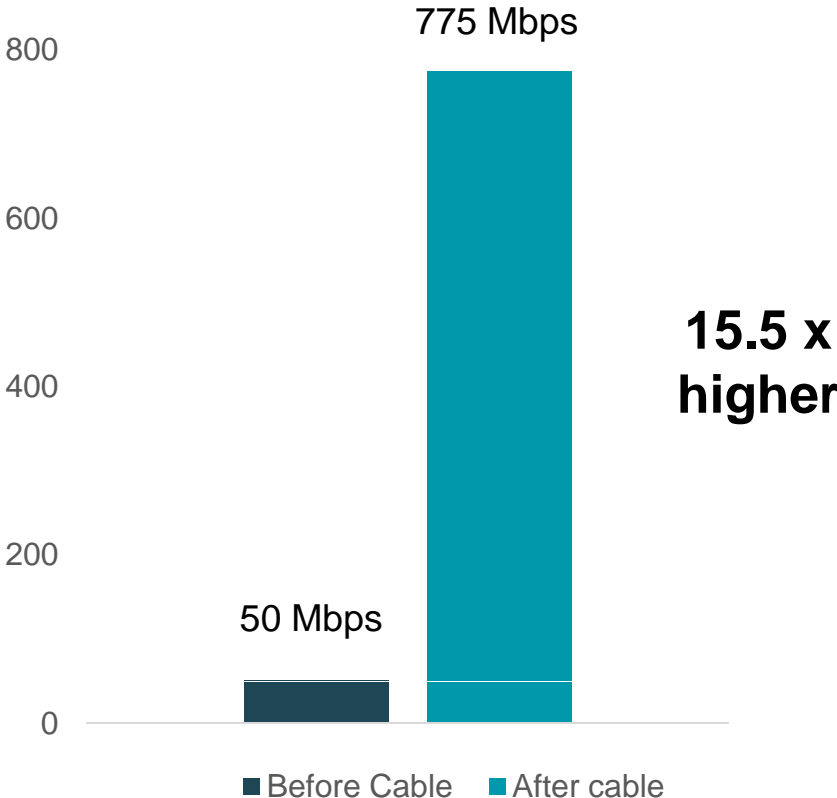
From B.C to A.C period on broadband services

A new era on broadband costing and pricing

internet users



Used international bandwidth



Percentage in the bars refers to penetration rate: # internet users per 100 inhabitants

Thank you

Merci

Obrigado