



Joint ITU-ATU Workshop on "Economic impact of OTTs & implementation of a common emergency number in Africa"

April 13- April 17 Accra, Ghana

Over-the-top (OTT) Services in Africa: Innovation, Competition, and Market Impact

Aminata Drame: Program Director – Partnerships and Strategic Transformations (Sonatel–Orange Group)

Agenda

- ✓ **Macro Trends**
- ✓ **Investment and Infrastructure**
- ✓ **Strategy and Partnerships**
- ✓ **Strategic Vision for a Balanced Digital Ecosystem**
- ✓ **Key Takeaways and Recommendations**

Macro Trends

Turning **macro-trends** into opportunities



Geopolitical dynamics



- Multilocal model
- In-market consolidation
- Trusted secured solutions



Widespread digital threats



- Advanced cyber protection
- New trusted offers
- Safe digital experience



Rapid technological shifts



- AI everywhere
- Open innovation & partnerships
- Innovative networks & offers



Environmental imperatives

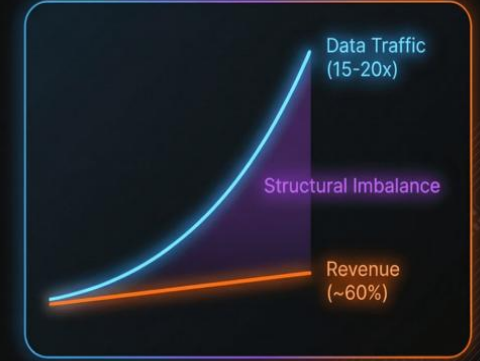


- Sustainable business
- Resilient networks and services

Sonatel Perspective | OTT Services in Africa

Network Traffic Has Exploded While Revenue Growth Remains Moderate

- Global mobile data traffic grown ~40x (2015-2025), driven by OTT video and social media.
- Average mobile data traffic per smartphone: 21 GB/month globally (2025).
- Sonatel revenue: ~60% increase over a decade (1,200B to 1,923B FCFA).
- Sonatel data traffic: Multiplied 15-20x over the same period.
- Structural imbalance: traffic grows exponentially, revenue grows linearly.



OTT Platforms Drive Digital Inclusion and Economic Opportunity

- Democratized access to information, education, and entertainment across Africa.
- Mobile tech generated 7.7% of Africa's GDP in 2024 (\$220 billion value).
- Creator economy booming via YouTube, TikTok, and Instagram.
- Unlocking economic inclusion: e-commerce, remote work, telemedicine.



Sonatel Perspective | OTT Services in Africa

The Great Divergence (2020-2025): Traffic vs. Revenue

We carry 4x more data for only 5% additional revenue



Sonatel Perspective | OTT Services in Africa

Macro Trends

OTT Value Capture: The Growing Asymmetry

The Telco model funds the highway — OTT platforms collect the tolls



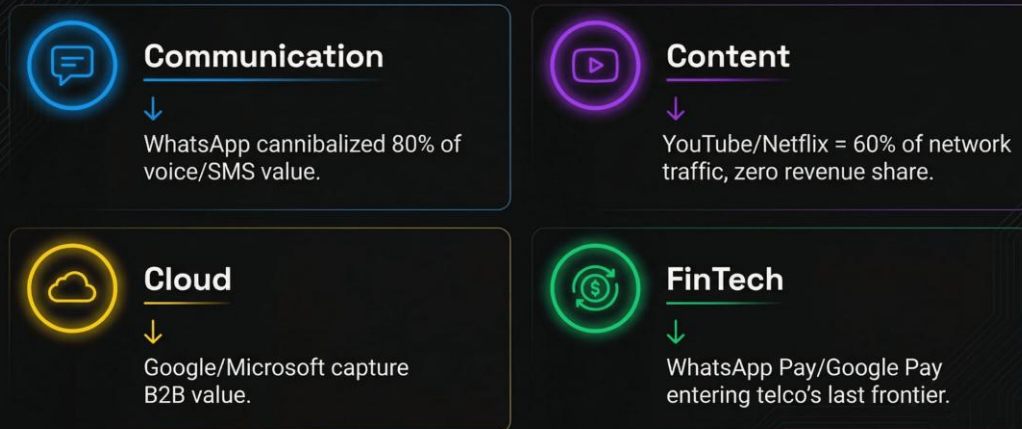
Sonatel Perspective | OTT Services in Africa

OTT Platforms Dominating African Traffic



Sonatel Perspective | OTT Services in Africa

OTT Value Chain: Who Captures the Value?



Sonatel Perspective | OTT Services in Africa

While operators build the networks, OTTs capture the value. The real challenge is not growth, but how value is shared.

Investment and Infrastructure

OTT Platforms Benefit from Infrastructure Without Equivalent Investment

- Telecom operators bear the full cost of building and maintaining mobile networks (towers, fiber, backhaul).
- Global tech giants generate 70%+ of traffic but pay zero towards last-mile telecom infrastructure in Africa.

Category	Telecom Operators	OTT Platforms
Last-Mile Network Capex	Massive (15%+ of Rev)	Zero / Minimal
Spectrum & Licensing Fees	High	None
Local Tax Contribution	High (Direct)	Low (Cross-border)
Traffic Generation	Moderate	Massive (70%+)
Regulatory Burden	Heavy (National)	Light (Global)

Sonatel Perspective | OTT Services in Africa

Asymmetric Obligations: Telcos vs. OTTs.



Telcos: Regulated

Licensed, taxed, spectrum fees, USO



OTTs: Unregulated

No spectrum, no USO, no QoS obligations



Telco Investment

15-25% CapEx/Revenue ratio



OTT Investment

<5% CapEx, tax base largely offshore

Sonatel Perspective | OTT Services in Africa

Telecom operators bear the full cost of building and maintaining network infrastructure, while OTT platforms generate most of the traffic with minimal investment. This imbalance allows OTTs to capture significant value under lighter regulation, while telcos face high CapEx and heavy obligations.

Strategy and Partnerships

Sonatel: Open to Innovation & Partnerships



Ecosystem Champion

Champion of digital growth, not a gatekeeper. >35M subscribers.



API Strategy

Open APIs enabling 3rd-party developers & startups to innovate.



Massive Investment

XOF 1.2 trillion invested in network infrastructure over 10 years.



Global Partnerships

Meta (2Africa), AWS Wavelength, Google, Ericsson, Huawei.

Sonatel Perspective | OTT Services in Africa

Sonatel and Amazon Partnership — AWS Wavelength in Dakar

- First AWS Wavelength Zone in Sub-Saharan Africa (April 2025), hosted in Sonatel's Dakar data center.
- Embeds cloud compute/storage at the edge of Sonatel's 5G network for ultra-low latency.
- Supports **data residency**, enabling local processing of sensitive data.
- Key use cases: real-time gaming, IoT, AI inference, telemedicine, smart cities.
- Positions Senegal as a West African tech hub.

CLOUD EDGE ARCHITECTURE



Sonatel Perspective | OTT Services in Africa

Sonatel and Meta Partnership — The 2Africa Submarine Cable

- 2Africa is the world's longest open-access subsea cable system (45,000 km).
- Consortium led by Meta, including Orange (Sonatel's parent group).
- First system linking East and West Africa continuously.
- Expected to contribute up to \$36.9 billion to Africa's GDP.
- Exemplifies telco-tech collaboration for shared infrastructure.



45,000 KM
LONG

33
COUNTRIES LANDED

3 Billion
PEOPLE CONNECTED

180 Tbps
CAPACITY

Sonatel Perspective | OTT Services in Africa

OTT x Telco Collaboration Models: Towards a New Deal

Five complementary pathways — from co-opetition to regulation



Content Bundling & Partnerships

Orange + Canal+, Netflix/Airtel. Shared subscribers, churn reduction, common ARPU.



Co-invested CDN & Edge Computing

Google GGC and Meta Edge nodes in Sonatel data centers. Reduced latency + backbone costs.



API Monetization — Telco-as-Platform

Orange API Hub: 30+ APIs exposed. A new wholesale digital revenue model.



Orange Money x OTT Fintech

Interoperability with Wave, Moov Africa. Share financial rails while retaining customer relationship.



Negotiated Fair Share Mechanism

Inspired by Korea Network Act. Netflix/YouTube/Meta contribution to network investment funds.

Sonatel Perspective | OTT Services in Africa

Max It: The Super-App as a Strategic Response to OTT

Aggregating telecom, fintech, e-commerce and content — the African WeChat model



12.4M Max It active subscribers · Tencent Cloud partnership 2024
Exclusive CAF AFCON 2025 broadcast deal · Target: double adoption by end-2026

Sonatel Perspective | OTT Services in Africa

Sonatel drives digital growth through strong investments, open innovation, and strategic partnerships with global tech leaders.

Initiatives such as AWS Wavelength, the 2Africa submarine cable, and satellite collaborations with SES and Eutelsat enhance infrastructure, expand connectivity, and enable new digital services.

Strategic vision for a Balanced Digital ecosystem

The 'Fair Share' Debate: A Growing Regulatory Asymmetry

Operators bear alone the costs of a jointly-used infrastructure

TELECOM OPERATORS

- Heavy licensing & taxes (spectrum fees, USO, local VAT)
- Universal coverage obligations
- Network investment (XOF 288B/year at Sonatel)
- Local law compliance, strict regulation, mandatory QoS
- Cross-border universal service obligations

OTT PLATFORMS

- No contribution to network infrastructure costs
- No universal service or coverage obligations
- Free use of networks (60% of traffic is video)
- Unclear regulation, often offshore jurisdiction
- No deployment constraints or quality of service obligations

Sonatel Perspective | OTT Services in Africa

Building a Balanced Digital Ecosystem Requires Collaboration

- Telecom operators and OTT platforms are complementary actors, not adversaries.
- Regulatory frameworks must evolve to reflect the reality of the digital economy.
- Public-private partnerships (e.g., 2Africa, AWS Wavelength) demonstrate win-win models.
- Africa's digital future depends on sustained network investment.



Sonatel Perspective | OTT Services in Africa

The Fair Share Debate — Should Large Platforms Contribute?

- "Fair share" debate central in European telecom policy.
- EC ruled out direct fees (July 2025), but debate continues via Digital Networks Act.
- Africa gaining momentum: South Africa exploring regulatory frameworks.
- Sonatel's position: Balanced approach supporting innovation while advocating for fair economic frameworks.
- Burden of financing next-gen connectivity shouldn't fall entirely on local operators.



Sonatel Perspective | OTT Services in Africa

Building a Balanced Digital Ecosystem



Foster Innovation

↓
Keep OTT access open, invest in 5G, scale APIs.



Fair Competition

↓
Apply equivalent standards, proportionate tax frameworks.



Sustain Infrastructure

↓
Meaningful OTT contributions to network funds.



The Sonatel Vision

↓
All players must contribute equitably to Africa's future.

Sonatel Perspective | OTT Services in Africa

Key Takeaways and Recommendations



Africa's digital future will be shaped by one key balance: innovation, fairness, and sustainable investment.

Thank you