

# License delays in SA prompts communications companies to look elsewhere

By [Thabiso Mochiko](#)

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The delay in issuing radio frequency spectrum licenses in SA has prompted companies like Smile Communications, founded by former MTN executive Irene Charnley, to look elsewhere on the continent for 4G or long-term evolution (LTE) network opportunities.

LTE enables ultra-high-speed internet access with connection speeds many times higher than 3G, translating into faster downloads and stutter-free video.

Smile Communications is quietly rolling out LTE networks in selected countries on the continent. It has already commercially launched the LTE network in Tanzania and Uganda. Before the end of 2013 it will launch in Nigeria and the Democratic Republic of Congo (DRC). Smile provides mobile data services to consumers and also sells capacity on its LTE network to other operators.

Charnley said Smile Communications' objective was to provide high speed broadband to the continent and improve internet access as well as experience. She said the company chose to leapfrog into the LTE network as it was the only standard, which evolved "continuously to meet the fast-expanding information, communication and entertainment needs of the people".

"Our focus is on bringing the network speed and quality. Voice is not our target for now. We believe that there is a need for broadband," she said.

## Radically improved user experience

Charnley said the true benefits of 4G LTE "lie in the radically improved user experience, and the ability of this global technology standard to enhance access to the most advanced form of communications whilst substantially reducing the costs of operations".

Smile Communications' roll-out will be done in phases over a period of five years. The roll-out would start in major cities and as prices, including those of LTE devices, declined the roll-out would move to other areas, said Charnley.

She would not be drawn on the regulatory delays in SA. Charnley said in some parts of the continent the regulatory and legal frameworks are "clean and there is no ambiguity and (it) is transparent."

## **Regulatory frameworks should promote competition in the market**

She believed that in SA LTE spectrum licences should be awarded to new players.

Daniel Jaeger, vice-president of Alcatel-Lucent in Africa, said, regulatory frameworks should allow the wholesale network model to promote competition in the market. "Infrastructure must be made available to everyone. The costs of rolling out infrastructure are so prohibitive to many players," he said.

Alcatel-Lucent is rolling out the network infrastructure on behalf of Smile in all the countries that Smile operates. Alcatel-Lucent is providing comprehensive design, build, operate and managed services for Smile.

Smile is funded by its major shareholders, a Saudi Arabian-based family. The rest of the shares in Smile are owned by management.

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