

# MTN SA to invest R12bn in network

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MTN SA will spend R12bn this year to ramp up its network to improve and expand coverage. The company also plans to open its network to other companies, but did not name them.



It had initially planned to spend R8bn, but revised that upwards to cater for demand for data. At a media briefing on Thursday, MTN unveiled plans to bolster growth in subscribers, boost revenue and eliminate network outages that have left customers without voice and data coverage in some areas.

MTN SA acting chief technology officer Krishna Chetty said the "biggest pain is repetitive drop calls". The company wants to halve its dropped calls and ensure network availability around the clock. MTN SA CEO Mteto Nyati said the company had a tough year, but instead of scaling down, it would increase investment to make sure "we have the right infrastructure that we can leverage for growth".

At the end of March, MTN's local operations had 30.1-million subscribers, down 1.7%, largely due to the disconnection of customers. Nyati said the company was returning to its growth trends, following a decline in recent years. It recently reported a 3% increase in revenue.

The company is in discussions with financial services and retail companies to launch mobile virtual network operator services. These piggyback on existing cellphone networks for their services. Cell C has been the only operator that has allowed companies, such as First National Bank, Mr Price and Virgin Mobile to use its network for their own mobile data and voice packages.

MTN SA chief enterprise officer Alpheus Mangale would not disclose the companies that MTN would partner with, but expects the announcement to be made in the coming weeks. MTN is targeting acquisitions in enterprise and digital businesses. The digital business includes services such as mobile money and e-commerce.

"MTN Business will continue to pursue aggressive acquisition of territory through building its own fibre, acquisitions and

partnerships. We will also provide wholesale access to our active fibre network customers," Mangale said.

The company also plans to connect up to 20,000 homes and businesses with its fibre network by the end of this year. MTN Business has 14,000km of national and metro fibre across the country, which is a network connecting more than 10,000 homes. Its acquisition of Smart Village will add more than 30,000 premises to MTN Business's network. Smart Village offers fibre networks in gated communities.

MTN's rival Vodacom had 34.2-million subscribers by the end of March, up 2.1-million. The company spent R8.7bn last year to update its network infrastructure, which includes more than doubling its super-fast long-term evolution (LTE) or 4G network sites to more than 6,000. MTN, which expects to grow subscribers on the LTE network, aims to increase peak user speeds up to 28% for 3G, and 108% on the LTE network.

*Source: Business Day*

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