



Upwardly mobile in Africa

Caroline Hurry takes a look at the cellphone industry in Africa and the most affordable options open to business travellers.

Around 10 years BC (Before Cellphones) vast tracts of Africa were communication voids, but it is this very lack of infrastructure that makes this continent the region with the highest penetration and usage of mobile phones in the world.

The African market is expanding nearly twice as fast as Asia's and with an estimated three landlines per 100 Africans, Mobile Network Operators (MNOs) are raking in profits faster than you can say 'dial-up'.

Today, cellphone masts hover over war-torn capitals from Kinshasa to Mogadishu, and even in the remotest villages, hip hop ringtones are now as much a part of life as sacks of maize slung over sagging donkeys. In Kenya, elephants wear collars with embedded SIM cards to warn villagers, via SMS, of their impending arrival in a

bid to prevent crop raiding. And 200 000 fishermen who work on Lake Victoria can now call for help if a boat springs a leak, thanks to Ericsson and Zain, the leading mobile telecommunication operator in West and Central Africa.

South Africa is the continent's biggest cellphone market, with nearly 25 million subscribers, followed by Nigeria, Egypt and Morocco. But it is in less-developed countries that the statistics are most startling. The Democratic Republic of Congo has well over a million cellphone subscribers. Chad, the fifth-least developed country, has more than 200 000.

MTN offers services in 19 African countries, and Vodacom will soon be operating in 40 African countries. Zain's One Network links its 30 million customers across 13 African and four Middle Eastern

countries – free of roaming charges.

Indeed, roaming (using your own cellphone in a country that doesn't support your network) charges can be astronomical. Last year, one Vodafone customer based in Manchester was slapped with a hefty £31,500 (R450,268.92) data roaming charge, joining a long queue of punters who have come home to Everest-sized bills when using data abroad.

Incensed at rip-off roaming rates, Viviane Reding, the European Union's Telecommunications Commissioner, managed to reduce Western European mobile roaming charges only by threatening litigation against the MNOs. Finally, the European Parliament agreed that mobile phone operators were wantonly overcharging customers and enforced lower call costs last August.



The revenues to the international mobile phone industry are projected to exceed 1.5 trillion US Dollars this year, making it one of the most profitable industries internationally, and also one of the most unregulated.

While South Africa and Africa represent areas with some of the highest mobile phone costs in the world, sadly, no threats of litigation by powerful bodies have been waged against African MNOs such as MTN and Vodacom, who continue to charge exorbitant roaming rates.

Their marketing employees were extremely cagey when I tried to get information regarding their costs. Phone calls and e-mails to several people within their marketing departments were ignored, and not even appeals to Nozipho January-Bardill, MTN's group executive of corporate affairs and Dot Field, Vodacom group executive for Corporate Communications, bore much fruit.

I was told 'off the record' that they do not give out accurate data. Even their websites made it very difficult to ascertain what one will actually pay for roaming costs (and, for that matter, for international or local costs).

"The reason for this," says Stuart Sterzel, MD of Webtel.mobi, "is that the costs are staggeringly high, and only the price of the lowest band of the lowest contract-type is ever promoted. Even those are usually promoted without including the various add-on prices, but these astronomical costs are, in fact, lower than the costs found in most other African countries."

Vodacom's webpage, for example, provided roaming costs for calling in the country travelled to, and calling to South

Africa – but nowhere do they provide the costs of calling to another country other than the one that one has travelled to or back to South Africa.

"This is because the costs on their network for calling to another country while roaming are higher than the cost of calling to South Africa," says Sterzel.

"There are no controls or regulatory bodies in place in any regions insofar as mobile communications regulation is concerned.

"The extent to which the costs are outrageous can be clearly seen if one takes into account that the actual cost to a MNO for sending an SMS is, in fact, zero or fractions of a cent – so all of their costs represent net profit.

"Other than that, the so-called roaming costs do not at all represent actual increased costs, as there are no additional costs to either the home or foreign MNO. These so-called roaming costs merely represent the preferred profit margins that the home and foreign MNOs have decided on, and the division of those margins gained from subscribers between the home and foreign MNOs.

"In markets where there is a lot of competition – such as Western Europe, the costs are lower than in other areas where the competition is limited. Africa represents areas with the lowest number of competing mobile providers, and an absence in toto of any oversight or regulation.

"All of this is at the expense of the consumer. As it is, local calling, texting (SMS) charges and 'roaming' costs are astronomical. This is why it is almost impossible to obtain accurate information

from the MNOs or their websites as to the actual charges – as there is no way to justify them," says Sterzel.

Fortunately large Internet companies like Yahoo, Microsoft and Webtel.mobi, as well as small start-ups are looking to grab a piece of the text-messaging bonanza, and they could soon threaten one of the main sources of revenue for the world's cellphone operators. However, let's take a look at the options for business travellers in Africa.

OPTIONS WHEN TRAVELLING

1. The Voice over Internet Protocol (Skype)

Skype, used from a computer, is an option if you use a local Internet service provider's service, which charges you for time spent online, as opposed to bandwidth. It is not an option if you are using a 3G card from the home country because VoIP (Voice over Internet) uses huge quantities of bandwidth.

The voices of both parties are converted to data, transferred over the Internet, and reconverted to voice. These are referred to as 'Data Transfer' costs.

Roaming Data Transfer costs over the Internet are among the most expensive charges in the world – in the case of Vodacom, varying from R150 to R190 per megabyte.

VoIP calls using a mobile phone as the Internet platform often use up to a megabyte per minute – sometimes more. Therefore, using VoIP-over-mobile while travelling could lead to a bill more than 10 times the cost of making a standard roaming call over the MNOs network.

2. Pay-as-you-go SIM cards

These cards are useful if you use a so-called 'Roaming SIM', as the South African and African pay-as-you-talk costs are so high even for local calls and texts, that the roaming costs are really a non-starting proposition.

A website that provides details on roaming SIMS and their costs in every country is www.roamingsims.com. Their prices are in some cases lower than the contract prices for African phone contracts.

3. Contract roaming

Costs are exceptionally high and the user has to pay monthly contract costs as well. Charges are per minute or part thereof, meaning that even if you speak for a second, you are charged for a minute.

4. Satellite phones

These are still very expensive. It's not so much the cost of the phone but the usage,



as you will always end up paying in US dollars. A used phone costs around US\$200, a new one from US\$1000 upwards.

5. Webtel.mobi

This is probably the best option as it is available to any mobile phone that can access the Internet and allows customers to use their own phones and their own phone numbers.

It undercuts all MNOs worldwide on calling, texting and roaming costs, internationally and locally by an average of 80%, and often more. Better still, it is free to join and use – one only pays for the calls made or texts sent.

Simply go to www.webtel.mobi then click on 'Join' and enter your details, load credit via PayPal, and then call or send texts.

Users pay only for the calls that they make and it does not incur data transfer costs since it is not a VoIP call. Charges pro rata are per second and not per minute.

Besides calls from their own mobile phones (and calls from Satellite phones), users can also initiate landline-to-landline calls from Webtel.mobi off their mobile phone platform or a laptop / desktop computer. They simply key in the number where they are, and the number that they want to call, and click on call.

6. Charging cell phones in areas where there is no electricity

Arthur Goldstuck, MD of World Wide Worx, a technology and telekom market research company based in Johannesburg says he swears by the Motorola Model P290, a portable charger.

"I always take it with me when I travel to Africa. It is compatible with Blackberries and other phones that use a mini USB port. You charge it before you leave and then it carries enough power to fully charge your phone at least once when there's no access

to a power point. It can be a lifesaver. There are other portable devices on the market but I have not come across anything nearly as convenient as this one," says Goldstuck. ■

COST COMPARISONS

VODACOM AND WEBTEL.MOBI:

Roaming costs (travel from SA to Nigeria)

Making a Local Call in Nigeria
 Vodacom: R 6 (Euro 0.45,2) – charged per minute or part thereof
 Webtel.mobi: R 4.52 (Euro 0.34) – charged per second

Making a Call to South Africa from Nigeria

Vodacom: R 17.95 (Euro 1.35,2) – charged per minute or part thereof
 Webtel.mobi: R 3.59 (Euro 0.27) – charged per second

Sending an SMS

Vodacom: R 2.75 (Euro 0.20,7)
 Webtel.mobi: R 0.59 (Euro 0.04,5)

HOW WEBTEL.MOBI WORKS:

- The number to call / text entered onto the screen by the caller goes from our secure servers in Europe to a Next Generation Telephone Switch.
- The switch calls the caller, who picks up his / her phone.
- The switch then calls the person who the caller wishes to call.
- The person being called picks up the phone, and the two are connected.
- It is seamless, and does not use Data-Transfer – as it is a call, not VoIP.
- The process is shown on their YouTube video at www.youtube.com.
- A complete and easy-to-use and list of rates, as well as FAQ and Help, are on the Webtel.mobi desktop website www.webtel.mobi/pc

OTHER TIPS FOR THE TRAVELLER:

Carry a spare, charged cellphone

"It is amazing how often our cellphone batteries fade when we need them most and there is no option to recharge. Most business people have been through a few upgrade cycles, meaning they should have a couple of spare phones lying around. Instead of giving the previous upgrade to the kids, keep it charged and available when you're on the road.

Choose a phone that can be recharged from your laptop

Cellphones that can recharge by simply plugging into your laptop's USB port are becoming fairly common. This saves on luggage space taken up by the charger plus all the adapters.

Lose the iPod

Get a phone that has a strong music playing functionality. It saves on clutter when you combine two devices into one. Samsung, Motorola, LG and Sony Ericson all make great music phones.

FURTHER INFO:

Costs for roaming / calling using 'Vodacom Passport'.

Vodacom Passport is not available for travel to any African country
www.vodacom.co.za/services/travel/travelling_option1.jsp

General Vodacom rates

www.vodacom.co.za

Vodacom Roaming Charges for Africa

www.vodacom.co.za/services/travel/charge_guide.jsp

www.vodacom.co.za/services/travel/overview.jsp

Telkom rates – which are often added to the roaming charges by Vodacom

www.telkom.co.za/common/pricelist/prices/local/customer_to_automatic_exh.html

Some reference books for further reading include:

- The Mobile Office by Arthur Goldstuck (Double Storey)
- The HitchHiker's Guide to Going Mobile (Arthur Goldstuck)
- More information from www.theworx.biz