

# How the NSP industry will impact the provision of Internet Access into Africa

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From the recent South African SONA and Budget Speech 2015, it is clear that the development of the country's ICT sector has become a focus area for South African government.



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Amongst others, the decision was made to invest R1,1 billion in terms of broadband connectivity to schools and government buildings. Through this investment the government is clearly indicating the importance of access to information (through access to the internet) for the development of our education system, as well as the efficiency that online processes will bring to both government and related institutions. I am a firm believer that the delivery of good quality, reliable, high-speed Internet access to South African schools, both in urban and rural areas, will be of benefit to the economy and the level of education in the country as a whole.

Keeping this in mind, it is important to note how the NSP industry will impact on the provision of Internet access to the end users - ISPs offering Wi-Fi services and users of these Wi-Fi networks.

## The near future

In the near future, I foresee a huge proliferation in the provision of Wi-Fi networks and in fibre capacity within many metropolitan areas in the country. While there is currently saturation in the provision of both undersea cables and national long distance bandwidth in the country, the consumer is not reaping the benefits of this owing to the low density of metropolitan fibre networks (although this is changing rapidly) and incumbents fighting to maintain historic levels of revenue.

This being said, the economic question around connecting lower densely populated South African metropolitan areas

remains a challenge that needs to be addressed and solutions developed and facilitated by key industry players in partnership with the South African government.

In the last year, the cost of bandwidth has reduced to the point where the revenue spent by advertisers per view is enough to cover the cost of a browsing session on the network - which goes as far as assisting in cross-financing the cost of laying fibre in metropolitan areas.

In the next two years, we are bound to see a proliferation in available access to open Wi-Fi networks, which allow consumers to browse for a certain amount of time for free. Additionally, as fibre is laid in the country's metropolitan areas, affordable access to the Internet through these networks will become a reality for the average consumer.

### **Rural areas most in need**

While rural areas are probably those most in need of access to the Internet, these areas present challenges of their own in this regard. Although the population in these areas can be extremely dense, the size of the economy and the amount those in these areas are able (or willing) to pay for use of the Internet is reduced compared to other densely populated metropolitan areas in the country. This means the ROI on the cost of digging and laying fibre cables makes business plans tricky to rationalise. It is imperative that all the relevant industry players work together with the government to address these challenges and come up with viable solutions.

## **Leveraging technology**

Access to information via the Internet is especially important in an emerging market such as many countries in Africa, as it facilitates for a better quality of education and even for increased entrepreneurship (through broadened access to entrepreneurial education) - in turn assisting in the fight against unemployment and poverty. A survey carried out by Dalberg in 2013 found that the rapid reduction in cost of devices, increasingly affordable bandwidth and development of local content are indications of a positive trend towards leveraging technology to support educational outcomes.

In this regard, it is important to note that while the Internet has high potential for delivering positive benefits in terms of education, its full potential can only be reached with sustained investment in broadband infrastructure. It is important that those in the ICT, NSP and ISP sectors realise that they can play an important role in the empowerment of marginalised groups.

The recent focus by government on the development of the South African broader ICT sector and the roll out of access to the Internet is certainly encouraging, and it is important for this to be realised, especially in areas where these kinds of initiatives have not been implemented before.

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