INFRASTRUCTURE SHARING: AFRICA'S BEST BET TO SPEED UP MARKET DEVELOPMENT

Co-location could prove to be Africa's best bet to improve telecom access on a continent where bureaucracy and the high cost of doing business is impeding the roll out of telecom services, expert panelists at the ongoing international symposium on telecom regulations in Accra have said.

Co-location, in which an independent tower company provides physical infrastructure to be shared by mobile network operators in what is often referred to as infrastructure sharing, has taken root in the telecom space in Africa due to what many operators see as a good business model that has to be nurtured since it serves as a way to reduce cost by allowing telecom network providers to share space- site or mast sharing.

The tower companies therefore provide mobile network operators and other operators with specialized value added cost-sharing infrastructure solutions allowing them to focus on their core business.

Consequently, the expert panel have strongly advocated the view that adopting new business and regulatory models for shared infrastructure will foster the pervasive digital explosion that is so much needed on the African continent, rather than depend on proprietary network infrastructure built by mobile companies with thin pipes to deliver voice services.

Francois van Zyl, the CEO of American Towers Corporation (ATC)- the biggest tower company in Ghana- said there are opportunities in the infrastructure market that need to be drummed by regulators on the continent to attract investors.

Citing Ghana as an example on how to make infrastructure sharing work, Mr. van Zyl said: "Ghana is very progressive and it is seen as a professional environment and so the regulator really need to promote this and get the investment from infrastructure companies because it is a good business model."

Currently, the infrastructure market is experiencing significant growth with nearly two-thirds of the estimated 3.4 million telecom towers in the world comprising of shared infrastructure.

In Ghana, figures show that as of the end of 2015, there were 5,700 colocations, which has been helped by the decision of a number of mobile network operators to reduce their investment in physical infrastructure like cell sites and mast in the face of heightened competition in the telecom environment and the need for external funding to further invest in their networks.

Making a case for enhanced colocation activities, Mr. van Zyl said infrastructure sharing helps mobile network operators to cut down on their capital expenditure and aid in the rapid deployment of network roll-out on existing infrastructure.

Additionally, he said infrastructure sharing Promotes a more sustainable business case for network rollout and services to rural or underserved communities.

"Low usage areas generally lead to unprofitable investments for mobile network operators. Shared infrastructure can introduce cost savings, allowing viable network expansions to these areas," he added.

On his part, the CEO of the Ghana Chamber of Telecommunication- the advocacy arm of mobile network operators and tower companies- Kwaku Sakyi Addo also noted that infrastructure sharing helps to developing markets in order to promote universal telecommunication access

He, however, observed the need for industry to clearly identify the path most suitable to their needs to avoid the pitfalls and realize the potential benefits.