

Vision

The Omsyc Newsletter

Africa: Transnational groups bolster their positions

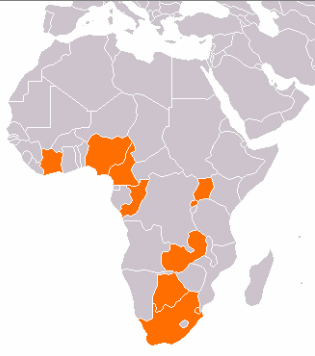


Data used to write this article comes from the OMSYC Database. To consult data used for this article and other telecoms and media data go to www.omsyc.fr.

By Ali El Yaacoubi, Analyst.

Transnational groups control more than two-thirds of the continent's cellphone telecommunications sector ...

A number of telecommunication groups operate across several countries in Africa, either via subsidiaries and/or joint-ventures. In 2005, six transnational telecommunications groups controlled more than 63% of Africa's cellphone subscriber base totalling 136 million subscribers: MTN (South Africa), Orascom (Egypt), MTC (Kuwait), MAROC TELECOM (Morocco), Vodacom (UK/

South Africa) and France Telecom (France). In 2004, the groups accounted for 58% of Africa's overall subscriber base, and gained five points in one year. More, in 2005, these groups acquired 71% of new subscribers across the continent. Finally, while the overall African subscriber base rose 61% in 2005, the six groups accounted for 75% of the increase.

MTN Group	VODACOM	ORASCOM TELECOM
		
<p>Countries (10): South Africa, Nigeria, Cameroun, Uganda, Rwanda, Swaziland, Ivory Coast, Botswana, Congo and Zambia.</p>	<p>Countries (5): South Africa, Tanzania, Congo RDC, Mozambique and Lesotho.</p>	<p>Countries (4): Egypt, Algeria, Tunisia and Zimbabwe.</p>
<p>Total subscriber base in 2005: 23 Million</p>	<p>Total subscriber base in 2005: 23 Million</p>	<p>Total subscriber base in 2005: 16 Million</p>

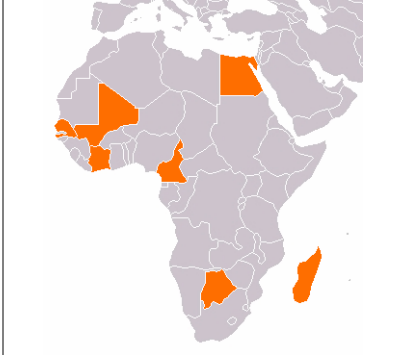
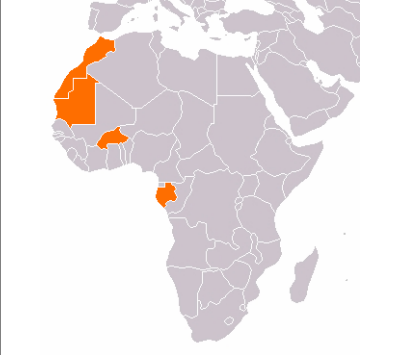

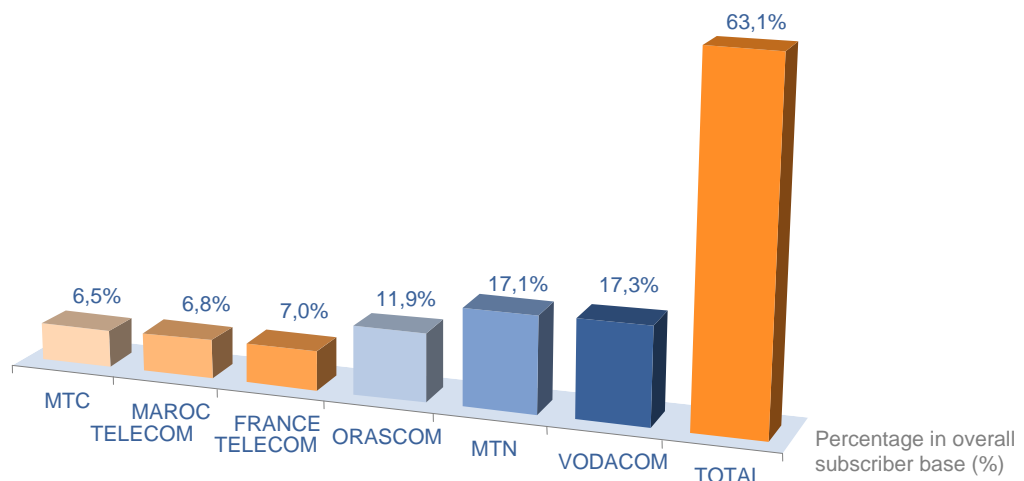
FRANCE TELECOM	MAROC TELECOM	MTC
		
Countries (8): Egypt, Botswana, Cameroun, Ivory Coast, Madagascar, Senegal, Mali and Mauritius	Countries (4): Morocco, Mauritania, Burkina Faso and Gabon.	Countries (15): Burkina Faso, Chad, Congo, RDC, Gabon, Kenya, Madagascar, Malawi, Niger, Nigeria, Sierra Leone, Sudan, Tanzania, Uganda and Zambia.
Total subscriber base in 2005: 9 Million	Total subscriber base in 2005: 9 Million	Total subscriber base in 2005: 8 Million

Chart 1: Share in cellphone subscriber base of the groups compared to Africa's overall cellphone subscriber base in 2005



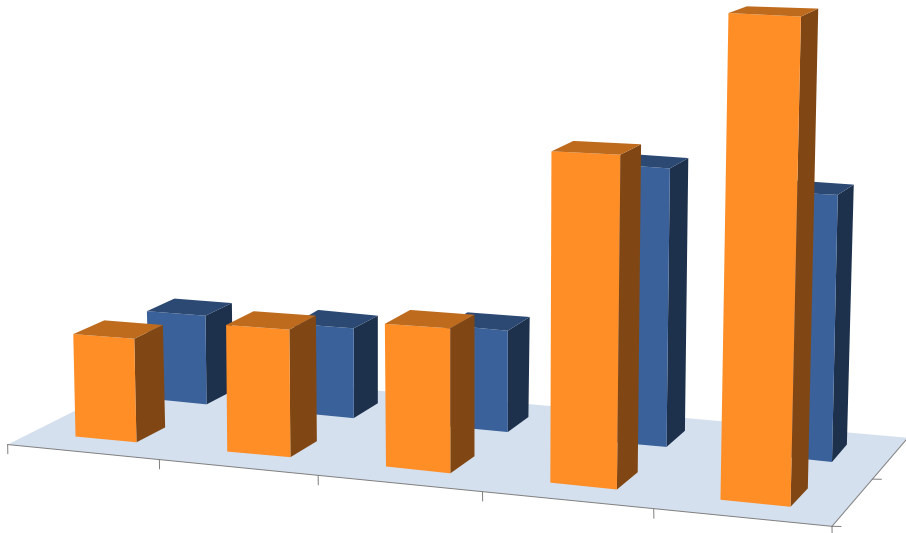
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Two major South African groups, MTN and VODACOM, each contributed more than 17% to boost Africa's overall subscriber base, driven by their national markets which at end-2005 counted 32 million subscribers (Africa's largest single market). MTN and VODACOM have a respective market share of 32% and 59%. More, MTN also has a subsidiary in Arica's second largest cellphone market:

Nigeria where at end-2005 MTN Nigeria counted 8 million subscribers.

Among these six groups, the group with the largest footprint is Kuwaiti MTC with a presence in 13 countries at end-2005 (15 in 2006). MTC countries have low penetration rates and/or lower subscriber bases, thereby explaining MTC's low contribution to Africa's overall subscriber base.

Chart 2: Revenues of the six groups' African subsidiaries in 2005 and 2006 (\$US million)

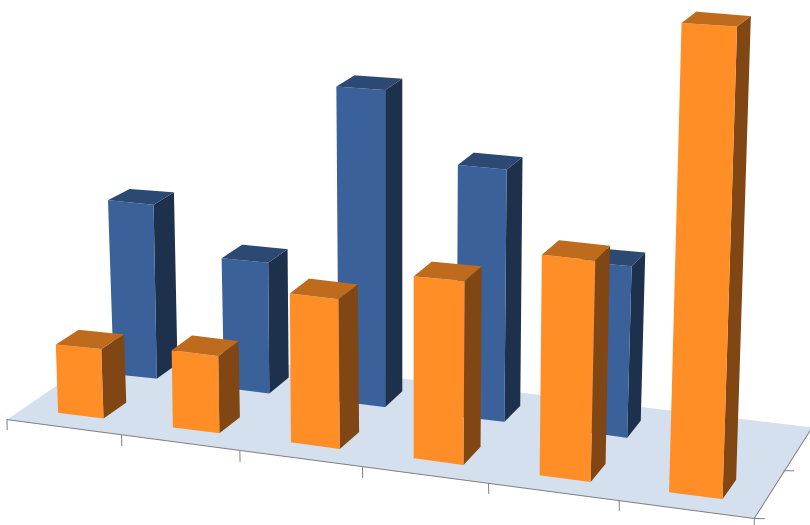


Data not available for France Telecom (2005 and 2006),
 * Data for March 2005 to March 2006

Revenues of the African subsidiaries of these six groups are by and far dominated by Vodacom and the MTN Group with more than four billion dollars each. In 2005, the

three other groups, ORASCOM, MAROC TELECOM and MTC, counted revenues nearing 1.5 billion dollars each.

Chart 3: Growth rate of the six groups' cellphone subscriber in 2005 (%)



In 2006, the overall African base of MTC soared 123%, driven by acquisitions made by Nigerian cellphone operator VMobile

in May 2006 (6.4 million subscribers). MTC entered Africa in 2005 by buying out Orascom's Celtel subsidiaries. The MTN

Group expanded its presence across Africa by acquiring Investcom LLC (Lebanon) which is present across six countries. In 2006, the four other groups saw their annual growth rate drop. But the same year France Telecom almost doubled its subscriber base to two million subscribers via external operations carried out by its

Senegalese subsidiary, Sonatel. As for Orascom, its Algerian subsidiary (Djezzy) still dominates in terms of overall subscriber base numbers, but growth continues to slow. The subscriber bases of the subsidiaries of MAROC TELECOM and Vodacom, dominate the national markets which are nearing saturation.

and continue to grow...

- In April 2006, MTN Group acquired 100% of the capital of Investcom LLC (Lebanon) for 5.5 billion dollars. Investcom is present in six African countries: Benin, Ghana, Bissau Guinea, Liberia, Sudan and Equatorial Guinea.
- On March 15, 2007, France Telecom announced that it had acquired two new licences in West Africa via Sonatel its Senegalese subsidiary. Sonatel was granted a cellphone licence mobile in Guinea-Bissau, and had previously bought out Spacetel's licence in Guinea.
- In December 2006, after an international bid for tender, MAROC TELECOM paid 220 million dollars to acquire 51% of Onatel, the Burkina Faso incumbent.
- In February 2007, MAROC TELECOM acquired 51% of incumbent Gabon Telecom SA, for 61 million Euros.
- In the fourth quarter of 2006, Orascom increased its share in Orascom Algeria to 96.81% for 460 million dollars.

Data used to write this article can be purchased directly online at www.omsyc.com

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