

Sea change for SA Internet

By [Arthur Goldstuck](#)

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Thanks to the pressure of preparation for 2010 and the Seacom undersea cable, the South African Internet and digital marketing, advertising and media industries should undergo a sea change this year.



1. **2010, 2010, 2010:** everything in telecoms will have the shadow of 2010 hanging over it, so that decisions taken in 2009 will be geared towards demand in 2010, with many providers facing the dilemma of how to use their infrastructure or services fully once the world cup is over and everyone has gone home.
2. **President takes telecoms seriously:** the new president appoints a Minister of Communications who has the trust of the industry to deliver on the pressing needs of telecoms in South Africa, and the Government's own telecoms undersea cable gets a serious re-think.
3. **Huge increase in Internet services:** entrepreneurs climb in, career reboots and all, to take advantage of licensing liberalisation and the coming undersea cable.
4. **Online advertising growth:** this brings new players to online media scene and the strong showing of online advertising revenue persuades many publications that have been sitting on the sidelines to venture online, joined by online media startups.
5. **Boom and bust:** for small companies in Internet, mobile and new media services. As a flood of start-ups and established businesses position themselves for the new Internet boom, many are unsustainable, and go out of business or are gobbled up by the more sustainable businesses.
6. **Streets continue to be dug up:** both in preparation for 2010 and due to licensing liberalisation, which allows any network owner to lay down their own infrastructure, urban streets will remain a lunar landscape of craters, grooves,

ditches and potholes.

7. **Digital migration deadline extended:** as the first set-top boxes for converting signals from digital to analogue roll off the assembly lines, the sheer scale of getting these to 6.5 million people (aside from 1 million who already have other set-top boxes) in two years becomes obvious, and the deadline for migration to digital terrestrial television is extended beyond November 2011.
8. **Schools start connecting:** the Gauteng schools project begins to redress the failures of the previous rollout as more and more schools are connected, and Telkom is forced by Government and public pressure to put in place the e-rate (half-price for schools) that Government has mandated but Telkom has never implemented.
9. **Fibre-to-the-home emerges on the agenda:** fibre-to-the-home (FTTH), which provides high-capacity Internet connectivity to residential and small business users, begins to appear on business plans for the next generation of startups or business development units. FTTH allows the kind of data speeds and capacity that enable users to view high-definition video directly off the Internet, but the level of bandwidth required will not be available for another five years, and the business models will only mature 10 years from now, but everyone wants to be the next Internet Solutions, and get in a decade before the market wakes up to the potential.

ABOUT THE AUTHOR

Arthur Goldstuck recently released the Internet Access in South Africa 2008 survey, which showed substantial growth in Internet access in South Africa for the first time in seven years. More information is available at www.worldwideworx.com. Follow Arthur on Twitter at <http://twitter.com/art2gee>.

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