

Telecom revolution positions Tanzania as a powerhouse

The arrival of new submarine telecommunications cables starting in 2009, paired with government investment in the national telecommunications backbone, has spurred a revolution in Tanzania that has seen the cost of internet connectivity drop to as little as US\$0.15 a day on a prepaid service.



This represents an effective drop of thousands of percent in the cost of internet bandwidth in the country over the past three to four years, says Anna Kahama-Rupia, managing director of [SEACOM](#) Tanzania.

She says that before 2009, the US\$5 000 to \$10 000 cost for dedicated fixed-line meant that only larger businesses could afford access to broadband connectivity. Internet access for an ordinary private citizen was almost unheard of.

Today, many Tanzanians are paying as little as US\$15 a month to enjoy high-speed mobile access to the internet from their cellphones, including the cost voice calls. This has had a transformative effect on education, entrepreneurship and social life in the country, adds Kahama-Rupia.

Tanzania's telecommunications landscape

Kahama-Rupia says that the change in Tanzania's telecommunications landscape can be attributed to two major factors: the arrival of new submarine cables in the country, starting with SEACOM in 2009, and a massive effort led by the government to rollout 10 000km of national backbone criss-crossing Tanzania up to the eight countries on its borders.

Before the arrival of SEACOM, there was just 300 Mbps of international bandwidth coming into Tanzania for the country's 50 million people. Today, there is around 10G, a factor that has helped to bring connectivity costs down dramatically.

The government's \$200 million investment in the national backbone means that this international connectivity reaches into towns and cities right across the country, and even brings it to the doorsteps of Tanzania's landlocked neighbours. As a result, Tanzania is becoming a major technology and communications hub for the entire region.

Benefiting neighbouring countries

Just recently, the state-owned Tanzania Telecommunication Company was awarded a \$6.7m deal to supply 1,244 Mbps of internet bandwidth into Rwanda, a transaction with benefits for both countries. Tanzania is growing its own economy while

helping other countries to drive down their communications costs.

Cheaper broadband is also benefiting Tanzania's education sector, says Kahama-Rupia. The University of Dar Es Salaam was paying \$10 000 a month for 13Mbps of slow satellite connectivity.

Now, SEACOM have linked it to the internet for a fraction of the price and with enough bandwidth to support richer web apps than the university could before.

More internet bandwidth also means that there are opportunities to reach young people in remote areas that are underserved by schools and teachers with e-learning services at an affordable cost.

Impact on Tanzanian consumers, businesses

Government has embraced telecommunications as part of a wider strategy to deliver electronic services including education, healthcare, and e-government to the people. It plans to do so through telecentres spread throughout the country, says Kahama-Rupia.

There is a flurry of innovation underway in Tanzania's telecommunications market, thanks to lighter regulation of the market and the new national and international cables. Mobile networks have turned themselves into major data players, innovating with services such as voice-over-IP, video messaging and video calling.

African telecommunications operator Smile Telecom recently launched mobile broadband services including live video chat and TV streaming following its deployment of the first commercial LTE 800 Mhz network in Africa.

The impact on Tanzanian consumers and businesses has been remarkable. Before mid-2009, internet cafes with high access costs were the only viable way for SMEs and ordinary consumers to use the web, and even corporates and educational institutions had to strictly ration bandwidth, says Kahama-Rupia.

Now, SMEs are trading on the web, relying on instant messaging, and even using multimedia web applications for the first time. Many large multinationals are looking at investing in the country for the first time, now that a sound communications backbone is in place. For consumers, social media, mobile banking and other applications are now a part of their everyday lives.

"The opportunities this has created - economic and otherwise - are enormous. There is reason to believe that we are just getting started. With only an estimated 2.5% of the population having access to the Internet, there is plenty of scope for growth," Kahama-Rupia says.

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