

F R O S T & S U L L I V A N

# East African Broadband Market

## M2C8-63

Published: August, 2008



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## Background to Study

### Background:

Africa remains the least connected continent in the world with regards to total bandwidth, and East Africa is no exemption. The high cost of broadband remains a major hurdle that is delaying progress in turning East Africa into a cyber region. The current situation highlights that East Africa is becoming revolutionised in Internet broadband. Several projects have been initiated to resolve bandwidth problems and encourage competition in the industry. With all the East African Community member countries having been identified among the fastest growing economies in Africa, broadband opportunities are limitless in this region.



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## Research Aims and Objectives

- This study identifies where the opportunities and threats lie in the East African Broadband market by answering the following questions.
- The answers to these questions should provide a basis for growth strategy development for existing ISPs and potential market entrants

- A What is the current size and expected growth rate of the East African Broadband Market?
- B What is the current status of the telecoms infrastructure in market and how does this impact on the East African region?
- C What is driving the use of broadband Internet services in various East African Markets?
- D What are the main factors inhibiting the growth of the broadband internet services in East Africa?
- E Which markets are set to show the highest levels of growth and what growth opportunities exist for Internet service providers ?
- F What are the regulatory requirements for ISPs in various East African Markets?

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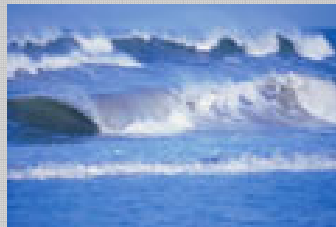
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## Scope of Research

### Services Scope :

- Internet Service Providers

- ISPs
- Fixed Line Internet Providers
- Mobile Internet Providers



### GEOGRAPHIC SCOPE:

Kenya

Tanzania

Uganda

## Respondent Scope

For Market Engineering Research, Frost & Sullivan utilises tried and tested marketing techniques to provide a standardised structure and an easy format to compare results across different countries, markets and over time.

This project was carried out using primary research (telephone or face-to-face interviews) and secondary research (published and online material) as the principle methods of data gathering. The focus of the interviews for this project were primarily the respondent types outlined below.

Organisation Type	Target Designations	Type of Information
<b>Telecommunications Regulatory Authorities</b>	Licensing Managers, Consumer Affairs Officers	Industry data, regulatory information, public sector ICT initiatives
<b>Internet Services Providers</b>	Sales Managers, Marketing Managers, Product Development Managers	Market drivers restraints and challenges, market segments data, pricing data, infrastructure suppliers, infrastructure challenges, market trends e.t.c.
<b>Internet Service Providers Associations</b>	Presidents, Chairpersons, Members	Industry data, expected market developments, regulatory environment, market challenges and restraints, market developments



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# Research Deliverables 1 / 2

Through this Research Service Frost & Sullivan has delivered the following:

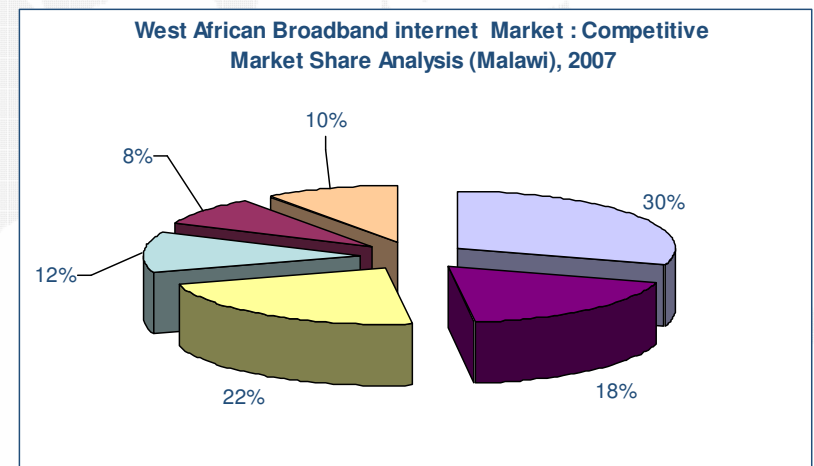
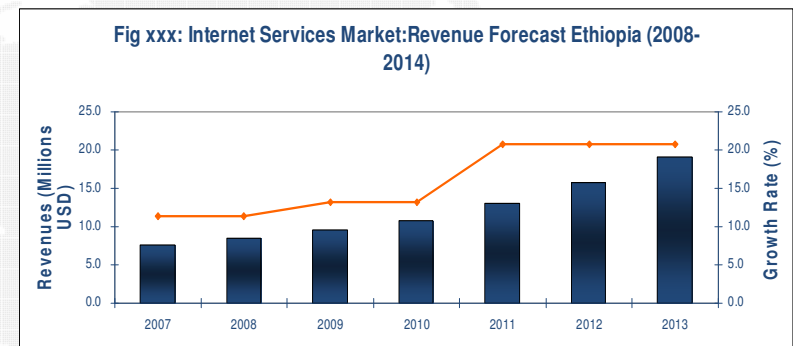
## 1) Market Overview and Regulatory Environments

- Market developments
- Regulatory environment overview
- Market drivers and impact
- Market restraints and impact
- Market challenges and impact

## 2) Market Analysis: East African Countries

- Regulatory Environment
- Infrastructure Overview
- Market forecasts
- Market share Analysis
- Services Demand Analysis
- Vertical Sector Analysis
- Competitive Analysis
  - Competitive Profiles
- Opportunity Analysis
- Future Market Trends
- Strategic Recommendations

## Example Deliverables



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## Methodology Followed

This Research Service provides a comprehensive overview of Internet usage and demand as well as the factors driving and inhibiting the Internet market. It also highlights areas showing growth and the opportunities and threats of the market. It follows the principle of Frost & Sullivan's Market Engineering Research methodology. This measurement-based methodology focuses on market measurement, analysis, forecasting and monitoring.

The base year for the study is 2007 and the forecasting projections are for 7 years until 2014.

The countries used in the study were selected based on a combination of the following criteria:

- Countries showing sound economic performance in terms of GDP growth figures above the 5% African average.
- Countries with stable political, social and economic conditions that would be conducive to business.
- Countries showing sustainable broadband Internet usage growth levels and developments in telecommunications



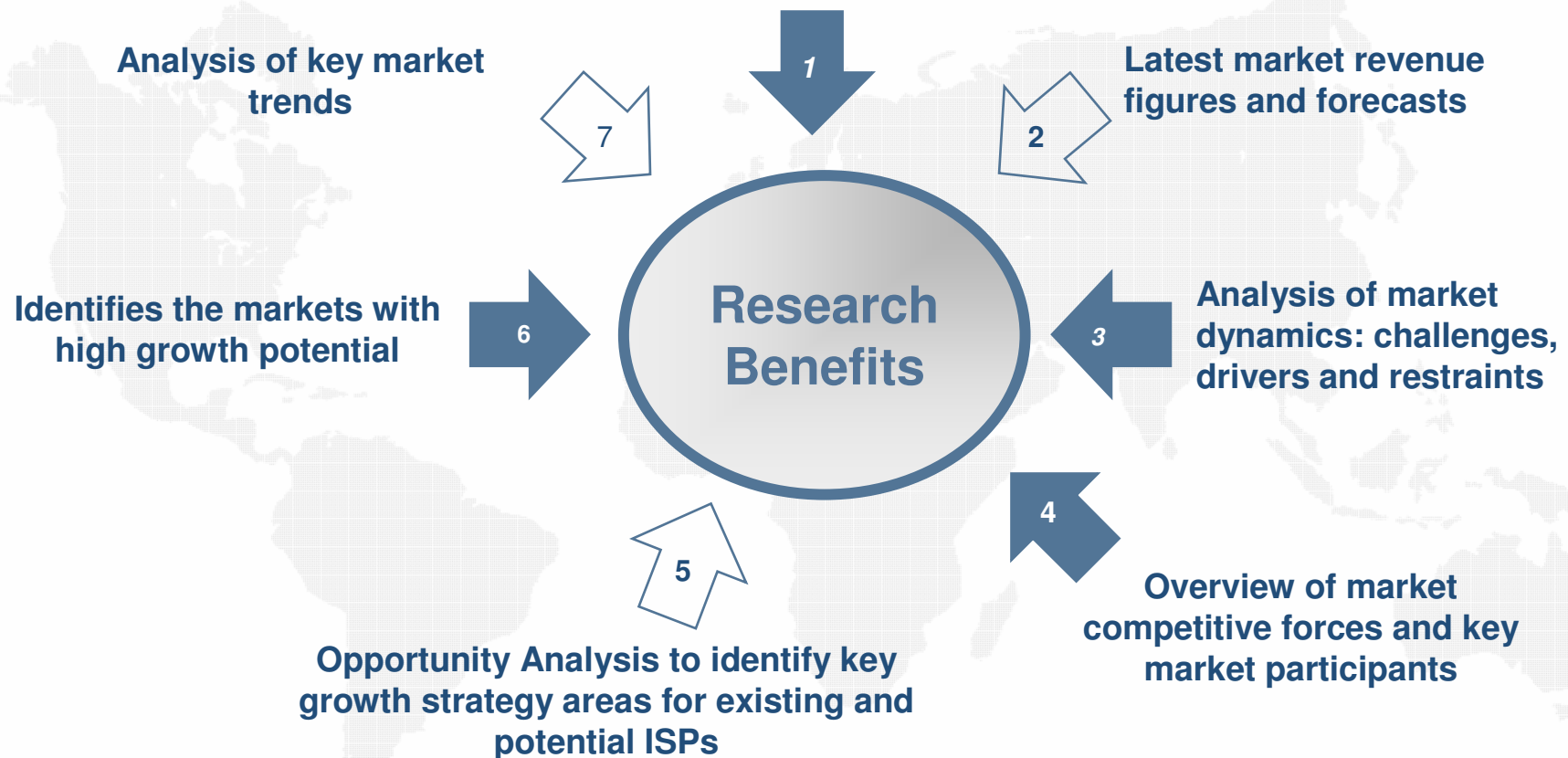
Frost & Sullivan's  
Market Engineering Research Methodology

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# Benefits of Research

Provides a succinct analysis for the East African Broadband Market



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## Frost & Sullivan Contacts

FROST & SULLIVAN

**Phil Howarth**  
Operations Director  
Frost & Sullivan  
+27 21 680 3269  
phil.howarth@frost.com

FROST & SULLIVAN

**Corrie Froehlich**  
Programme Manager  
Information and Communications  
Technology Group  
+27 21 680 3279  
corrie.froehlich@frost.com

FROST & SULLIVAN

**Guillaume de Bassompierre**  
Account Manager  
Frost & Sullivan - Africa  
+27 21 680 3286  
guillaume.bassompierre@frost.com

FROST & SULLIVAN

**Jacqui Holmes**  
Marketing Manager  
+44 1993 705 066  
jacqui.holmes@frost.com