

# Technology and Skills Are key for Driving Growth

*In this interview with Efem Nkanga, SVP Sales, Africa of Spacecom, operators of AMOS satellites, Mr Eyal Copitt, talks about the future of Africa and Nigeria in the telecoms sphere and sheds light on the firm's solutions for Africa*

**T**ell us more about Spacecom? Spacecom (Space-Communication Ltd.), operator of the 4<sup>th</sup> W co-located AMOS-2 and AMOS-3 satellites, provides high quality broadcast and communications services in Europe, the Middle East and the U.S. East Coast to direct-to-home (DTH) and direct broadcast satellite (DBS) operators, ISPs, telecom operators, network integrators and government agencies.

The AMOS-5 launch in 2011 will enable Spacecom to deliver high-power C-band and Ku-band capacity to the entire African continent with connectivity to Europe and the Middle East. Along with the launch of AMOS-4 in 2012 over Russia and South Asia, and AMOS-6 in 2014 over Europe and the Middle East, Spacecom will further become an emerging multi-regional satellite operator.

Africa is the company's next target with the AMOS-5's launch in 2011 enabling Spacecom to deliver C-band and Ku-band capacity to the entire African continent as well as connectivity to Europe and the Middle East. The AMOS-5 will have 14x72 MHz and 4x36 MHz C-band transponders combined with 18x72 MHz Ku transponders making it a prime carrier of African traffic in the years to come in both broadcast and data services.

Spacecom is excited to serve the African market and has already won major pre-launch contracts. We also look forward to announcing new contracts with partners and service providers once the AMOS-5 commences operations. During the past year, we solidified and expanded our sales and technical team as well as conducted detailed market studies in the various regions and countries that we are addressing to ensure the success of our efforts in the growing need for connectivity and broadband in Africa.

**What are the major challenges you have faced since you commenced operations and how have you tackled these challenges?**

We could say that the hardest part of our operations is the beginning. AMOS-1, the first satellite operated by Spacecom, was launched in May 1996 and provided services until mid 2008. Starting from scratch and putting together a team, creating a program and then executing a plan were not easy and also taking a chance in the Central and Eastern Europe market where success was not clear: that is a challenge. Fortunately, we have brought together an excellent team, become a publicly traded company, grown our business into a multinational focus and continued to grow our team and do it well. In December 2003, Spacecom launched the AMOS-2 satellite to the 4W orbital slot and in April 2008 we launched the AMOS-3 to the same orbit. Our clients, among others, include Deutsche Telekom, Ukraine's Inter Media Group and DTH operators such as Hungary's T-Home SatTV and Yes in Israel.

We are looking forward to serving Africa with AMOS-5 where it will deliver services from a high-power pan African C-band and three steerable Ku-band beams. The African telecom market is fast growing, especially the Nigerian market which is the fastest growing one in the continent. It holds promise and opportunity, and Spacecom is ready for the challenge of building a business to meet the needs of varied businesses and governments on the continent.

**Is Spacecom doing any business in Nigeria?**

Yes, Spacecom is doing business in Nigeria. We have secured contracts for AMOS-5's capacity with Nigerian partners and others who serve the Nigerian market. With the scheduled launch of the AMOS-5 to 17°E, we look forward to working significantly in expanding our satellite services for the Nigerian market.

**What is the nature of this business?**

Spacecom's business is to provide space segment for broadcast, data, VSAT and other applications to be brought throughout a region or an area. We work closely with local and multinational service providers and service Integrators to bring services and applications to the ground. In Nigeria, we will be focusing on what the market wants and needs including the development of rural, urban and outlying regions. Our partners are looking at rural telephony, Internet broadband, enterprise applications like e-banking and oil & gas. Our powerful Pan-African beam will enable us to serve clients in Nigeria and throughout the continent.

**What solutions are you offering for rural telephony, e-learning, e-health etc?**

Our high power coverage of the African continent allows integrators and other partners to improve rural telephony and ensure that new applications such as e-learning, e-government and e-health reach rural populations and those in the outlying or hard to reach regions. Satellite coverage is the best, most cost effective and smartest method to reach these groups and together with partners, we intend to make this happen in a win-win atmosphere.



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**How can Africa better keep up with the rest of the world in terms of technology development and what are the key things we should be doing?**

To keep up with world trends – and actually go farther than in many areas – Africa needs to focus on education for the young generation. Technology and skills are key for driving growth. With the Internet and education, Africa can achieve or generate more growth, bridge the digital divide and create industries that will serve the population, and improve quality of life even in the most remote areas.

**The internet is changing the face of the world, how can Nigeria tap into this vision for development?**

Again, we believe that it is the younger generation, the ones that are growing up with mobile rather than fixed line telephony that will spur Internet and change. The combination of undersea cable and satellite connectivity is helping the African people fulfill their broadband dreams that could make life better. Yet, it remains up to the satellite sector to spread the dreams out among the rural areas and to ensure that the price remains reachable for all. Today it is all about access – and Spacecom is looking to make certain that as many people as possible have these opportunities.

**What's your impression of the Nigerian internet market?**

The Nigerian Internet market is benefiting from the growth of undersea fiber and will benefit, in rural areas, from increased reliable broadband satellite services. Satellite will be the prime mover bringing Internet to these outer areas and thus lead to an increase of usage and the development of new applications. Internet is a great tool in giving equal opportunity to remote residents and we expect to see growth in many areas: economy and business; higher learning; and even government efficiency.

In Nigeria, voice not data is the primary growth indicator of the telecom industry, what can be done to address this imbalance and make data central to the development of Nigeria.

Voice is a great growth indicator for the market, but even so, data-centric applications are growing in strength and many, if not most, new developments in the telecom industry are oriented towards data. With the move towards smartphones, we are seeing more data going over the networks. Likewise, with the growth of the enterprise market, including the rapidly growing SOHO market, we are seeing more data being sent by offices, factories, branch offices and the like. We find that in outlying areas, the use of applications like e-learning and e-banking are moving faster and are using satellite for their communications backbone.

**Across Africa, competition in the telecoms sector is eroding**

**revenues, and ARPU's are dropping, what advice do you have for Nigerian Operators to increase their revenues?**

African mobile operators in general, and in Nigeria specifically, are leading the world in applications such as mobile payments and prepaid services. The most important thing that we can urge Nigerian operators to do is to improve user experience when offering data services, as well as offering triple play services including new value added services. Data and improved Quality of Service are prime drivers of growth in the telecom sector around the world, and Africa should not be different. Content and applications go hand in hand and if we look towards usage in rural areas, we can envision that more e-learning, e-health and e-banking can provide an increase in data, and thus assist operators generate more fees for their services. Use of data applications and the addition of more local content will increase services to outlying regions, and enhance growth.

**How can Nigeria develop and optimize broadband infrastructure for development?**

Nigeria can improve infrastructure by first improving power distribution and then using a mix of technologies such as fibre, wireless and Satellite.

**Is the satellite technology better for Nigeria or is it fibre optic technology?**

Spacecom sees a space for both satellite and fibre on the African continent. Whereas fibre presents a good economic case for urban areas and cities near to the coasts, satellite represents the best and most cost effective option for providing telephony and Internet broadband to the vast outlying regions and rural areas. The scale and reliability of satellite is made for those latter regions. We also see that fibre can act as a catalyst. With more of the population enjoying improved services, via fibre, those who do not yet have the improved services – look towards satellite to provide them. Thus, we are seeing, an increase in requests for satellite services in many different sectors – telecom, broadcast, homeland security and more.

**What do you think should be done to address the lack of adequate infrastructure in the country?**

Infrastructure development is both a national and regional issue. We see that there is a need to provide better Internet broadband to those living outside of urban areas. This can be done through international projects and through local or regional governments in partnership with international groups. Integrators working with telecom providers can provide services to enterprises that can create an exciting business model providing for the people as well as for the bottom line. In urban areas, there is also a need to ensure that broadband is reliable and that pricing for this will encourage new users to pick up applications that will change their patterns and improve their lives.

**In what ways would do you think the digital divide in Nigeria can be breached?**

The digital divide is not just an issue for Nigeria, it is really an issue affecting the entire world. In Nigeria, satellite remains an excellent choice for enhancing telecom and internet literacy in rural and outlying regions. If urban areas have improved Internet access, then using satellites to increase Internet access and keep it reliable and priced for the rural areas – represents an excellent method to breach the digital divide. The government as well as non-governmental organizations can help pave the way towards beating the digital divide with projects, funding and bringing expertise to villages, towns and commerce points throughout the countryside.

**Is Nigeria on track? Is the country doing the right things in terms of technological development?**

Nigeria is a strong and fast growing market with attractive telecom and communications markets that are doing a good job of attracting international investment. We see that liberalization has led the charge towards making the markets better and has enabled various types of service providers, added value operators and other businesses to enjoy a rich market of opportunities.

**What technologies should Nigeria adopt to enable national security?**

The use of secure and reliable satellite services by homeland and national security organizations is a chief advantage of our offerings. Satellite connections can be utilized to examine critical infrastructure in outlying regions or along a long border. Disaster recovery is another element of homeland security and maintaining critical communications with emergency response units everywhere. If there is a disruption of any type – earthquake, fire, storm, flood, etc., quite often satellite services, via VSAT or other applications, are used by first responders to bring a situation under control or keep communications open with the government and relief agencies. Satellite is really the only reliable and immediate method to make this happen.

**The issue of cyber crime is a reality in Nigeria. What do you think should be done to tackle cyber crime?**

Tackling cyber crime is both the obligation of the government and its agencies alongside international regulatory agencies. As computer literacy increases – there is both a chance to cut cyber crime and to encourage improved security for all users.

**What would you advise the Nigerian Government to do to enable the development of the country in 2011 and beyond?**

In Nigeria as in any other democracy, the mantra of competition and open markets works well in encouraging development, entrepreneurship and helping the business sector look towards R&D and educating the work force. We are encouraged by the market and players we have met in Nigeria and look forward to success and helping the country grow with services from the AMOS-5 satellite.