



Telecoms BUYERS GUIDE

...telecommunications and network magazine

NIGERIAN RURAL TELEPHONY PROJECT: POLITICAL JINGOISM?



"IN SPLICING
MAIN ESSENCE IS DETAIL"



MAXIMIZING SAVINGS
AT CELL SITES WITH HYBRID
ENERGY SOLUTIONS

HOW TO INSURE
YOUR NETWORK AGAINST
NATURAL OCCURRENCES

PERKINS AS GREAT
GENERATOR MODEL



₦1,000 \$10 May, 2012



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- CEO, WTL Leigh Smith

“No shortage of viable new telecoms projects without funding...”

World Telecom Labs -WTL is a transnational telecoms firm and one of the pioneers and leader in the provision of intelligent VoIP switches, pre-paid applications and signalling gateways for emerging carriers and telecoms service operators.

WTL, based in Belgium has an installed base of 100,000s of voice ports with service providers worldwide switching billions of minutes of VoIP traffic using WTL equipment. Its business activities run across Belgium, United Kingdom, Italy, Brazil, Morocco, India, Tunisia and Nigeria to mention just a few.

The company's managing director Leigh Smith, a frequent visitor to Nigeria over the last few years, in March responded to some questions with TBG managing editor Dare D-Afeni on a number of company and industry issues as well as the Nigerian operating environment. Excerpts:

TBG: In your own words, how would you describe your company?

World Telecom Lab -WTL has been developing and supplying a wide range of different telecoms applications to large and small operators for over 15 years. Besides initially offering TDM switching we were in fact one of the VoIP pioneers.

Our first VoIP products appeared in 1998 including our patented bandwidth-saving technology which we named NOP -Network Optimisation Protocol. Over time WTL has built up broad base of different telecoms solutions, which are handled via our very flexible, intelligent software.

We are viewed as a supplier of high performance switches and gateways and in particular we are specialists in SS7 to IP conversion, VoIP bandwidth optimisation, pre - paid and online billing. More

recently we have successfully entered into rural telephony.

TBG: Your firm is much involved in VoIP; looking at a country like Nigeria, what are the strengths of VoIP over satellite; and do you think the country's VoIP requirements are being sufficiently serviced?

The obvious advantage of VoIP over satellite is the ease of deployment in a large country like Nigeria where there is limited fixed line connectivity. The large capacity which is now landing via the different submarine cable suppliers, Sat3, Glo 1, Main One and WACS will make a significant improvement in the high speed broadband availability.

However, it is still going to take quite some time before the networks are built up to a point where they will cover most of the main towns and villages inland.

In the meantime the use of VoIP over satellite will remain a very practical solution. It will also remain as an essential back-up in the areas where the infrastructure has been built as the cables are always subject to damage and theft.

On the question of whether the Nigerian VoIP requirements are being sufficiently serviced, I think the introduction of VoIP is only just starting. Most of the large operators are still running large legacy TDM switches and they appear to have limited financial resources to make the investment into switching over to VoIP in a hurry. The other fact supporting this is that I believe a leader out of the four telecoms clearing houses licensed in Nigeria handling very significant traffic from all the main operators on a daily basis still carry less than five per cent of their traffic as IP traffic.

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It will also remain as an essential back-up in the areas where the infrastructure has been built as the cables are always subject to damage and theft.



Another key differentiating factor is the level of flexibility in development for special applications which is very important in new fast growing markets like Nigeria.



Smith and Nigeria's minister of communication at an international industry forum recently

TBG: What would you say differentiates WTL's switches and gateways from others?

The significance of our early entry into the development of VoIP enabled us to closely integrate TDM and VoIP in our software right from the start. This has put us into a different class to nearly all the other switch and gateway manufacturers who either had TDM switches as a base or then had to add VoIP at a later date or as time moved on.

We saw some VoIP only switches enter the market and they were generally forced to add TDM connectivity. None of the other manufacturers have been able to achieve the very smooth and seamless switching between TDM and VoIP which WTL has today. The ease of handling by the WTL switching is still evident even when running at full capacity which is a claim that most of the other manufacturers are unable to match.

Another key differentiating factor is the level of flexibility in development for special applications which is very important in new fast growing markets like Nigeria. The large switch manufacturers generally have limited interest in any "customisation" and if they are forced to make some improvements they only do this for a considerable cost over a long development time.

TBG: What barriers to entry have you encountered doing business in the Nigeria telecoms environment?

The large Chinese telecoms equipment manufacturers continue with their approach to buy their way into any new project. So you are always faced with this "Chinese" barrier to entry. However, as the reality of the earlier Chinese-backed deals starts to become apparent it now means that many of the operators using this equipment now realise that what appeared a very attractive deal initially has not turned out to be as positive as expected.

I am regularly in Lagos and Abuja, and at a day to day level, basic requirements of business life can be a challenge. Perhaps due to network capacity issues, calling for business discussions, setting up meetings and running conference calls can be a problem. To

me though, the most obvious barrier is that, in Nigeria as the biggest and fastest growing market in Africa, there is no shortage of viable new projects and telecoms opportunities that are unable to find the funding they need to start these businesses.

TBG: I am aware your company is presently in the process of collaboration with some license holders on the Nigerian Rural Telephony Project, and probably seek more involvement; you care to shed more light on this?

As WTL was selected from six other bidders in the latter half of 2010 to provide a rural telephony and internet solution for a Government backed Universal Service project in Morocco, we have been sharing the expertise that we have gained in Morocco with Nigeria Rural Telephony Project -N RTP license holders.

The discussions have been going on for over two years and all license holders have expressed a genuine willingness to have WTL as one of their key partners for the eventual roll out of rural telephony in their respective regions.

WTL was selected in Morocco due to our 'future-proof' all-IP solution which brought low operating costs thanks to our VoIP bandwidth optimisation and our innovative cloud-based billing solution.

It also helped that the capital cost per site was attractive and the ease of installation allowed rapid deployment by relatively low-skilled teams in the field. These are key attributes which the N RTP license holders are also interested in.

TBG: Now looking at the progress recorded so far on the said rural telephony project, do you think this is the best possible for the country?

I feel that progress has been very slow so far. The N RTP license holders have been trying to attract investors and are now seeking some government backing. I absolutely agree with the principle that the rural areas need to have telephony and Internet access as soon as possible for all the well-known economic and social reasons.

The N RTP is a serious nationwide project to start connecting the rural communities. It looks as though it is the best possible rural option for the country but the implementation still has to start.

It will be better to provide the funds and start the only nationwide project that is in place today than to continue discussing at high levels that something needs to be done which so far has resulted in very little progress. All the other projects are much smaller and are being handled by operators who seem to be trying to create a positive public image by doing a limited number of installations.

One of the leading operators announced one year



It looks as though it is the best possible rural option for the country but the implementation still has to start.

ago that they were going to install a rural solution in over 300 villages but when you ask people who should know about this including individuals who work with the company no one seems to be able to give any details on what has been installed.

The NCC has access to significant Universal Service Provision Funds –USPF which are supposed to be available for rural telephony projects but the number that have been approved, I believe is limited. So it appears not much progress has been made to distribute the USF into providing connectivity in the rural areas.

TBG: In your own assessment, what do you think are the pivotal issues in the Nigeria telecoms industry?

I am not certain I'm really qualified to comment on the pivotal Nigerian telecoms issues. However, capacity, coverage and quality of the customer experience are required - same as for the rest of the world. Like all the successful economies there needs to be an environment which is fair and reasonably predictable.

Some of the projects being discussed have payback periods over multiple years so the investor needs to



feel confident that the competitive or regulatory landscape is not going to suddenly change.

TBG: What are WTL's plans for the Nigeria/West Africa sub-region telecoms market in the immediate future?

We plan to continue WTL's company strategy of having Nigeria as our top priority market outside Western Europe. We expect to be entering into agreements with one, or possibly two, local partners in the first half of 2012. The successes that we are already having in Nigeria will enable us to spread what we have to offer into other West African countries ■

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World Telecom Labs

Changing the way the world communicates



IF YOU HAVE THE IDEAS...WE HAVE THE SOLUTIONS

- VoIP to TDM switches up to multiple STM – 1's
- Low cost SS7 to IP signalling gateway
- High Performance SoftSwitch
- Bandwidth cost saving for VoIP (only 6kbps per call)
- Pre-Paid Platforms & Online Billing
- Rural Telephony
- Call Shop equipment
- Online payment portal

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