

Winds of change for SA's bandwidth landscape

The next wave of broadband will see companies benefiting from faster speeds at the same price point as their current expenditure. Businesses in South Africa will soon be able to get a 500 Mbps fibre line for the same price as a 100 Mbps one.



©alphaspirit via [123RF](#)

Warren Bohheim, CCO of Zinia, a business internet provider and wholesaler, believes it won't stop there. "There is a flatter connectivity buying structure which will result in more capacity becoming available in the country. Combined with fibre rollout and pricing bottoming out, this will drive networks to offer more in a bid to keep customers satisfied."

He explains that in the past connectivity required a change of many hands before internet providers could purchase capacity, whereas soon buying will happen much closer to the source which will result in lower barriers to entry for smaller players and increased competition in the telecommunications space. As more connectivity lands in Africa more supply is available to meet the demand for internet.

"Demand for connectivity in South Africa remains high and is therefore far more expensive than other countries around the world, but bandwidth supply into Africa is growing," says Bonheim.

Monet cable

Earlier this year the Angolan government announced the building of the first transatlantic cable system – a 6,165km route - which will cross the South Hemisphere, connecting Africa and the Americas. This will build an alternative route to the North Atlantic cables and it will also allow alternative connections from Asia and Africa to the rest of the world. The Monet cable system is also underway which when completed will provide access from Sao Paulo to the Americas, Miami, Florida (USA).

This coupled with the existing WACS West Africa Cable System connecting 11 West Coast African countries and three European countries could provide a total internet capacity of 70Tbps. “With the Monet cable there will be a shorter route to the US through South America – this means less points of presence (POPs) to go through – making our latency lower than other cable systems,” he says. “Speed is not the most determining factor when purchasing internet: consistency and latency are just as important.”

He explains that currently when companies use the internet for data, voice or video it has to travel through many different locations throughout the world and often these are not the quickest routes which slows internet speed down as well as produces high latency. Latency is when the internet lags or takes time to respond.

With the proliferation of cloud-based applications, video and voice, businesses require a consistent internet service with a very low latency. Bonheim says, “The Angolan cable, which Zinia has early access to, means local businesses will have a more direct route to key places, so their lines will be quicker, latency will be better and the customer experience will dramatically improve.”

The fibre landscape

“We are seeing providers roll out fibre at break-even prices to win territory in what is known as telecommunications 'land-grab',” says Bonheim. “The strategy here is to build a market by attracting as many fibre customers as possible to pay off the cost of the infrastructure and secure a 'locked-in' customer base. As customers come onto the fibre network their experience is so phenomenal, there will be little reason to change.

“But as we know customers always want more, they want better speeds, better performance and better prices. Because business internet is still expensive the only option is to give customers more in the way of speed.”

He explains that it doesn't cost the networks to increase speeds as the existing fibre infrastructure can handle it: offering more for the same price is the logical next step. In addition while most businesses are all looking for greater speeds the reality is that not everyone will use the speeds provided. This makes it easy for the networks to offer higher speeds at the same prices and with more capacity landing in Africa, supply has increased.

“For many businesses this is great news, but we also know that for many keeping abreast of the latest technology is not always about the cheaper offering, it is about what will work for their business from a contention, latency and speed perspective.

For more, visit: <https://www.bizcommunity.com>