



ICT4D

Pricing of Broadband in Tanzania

By

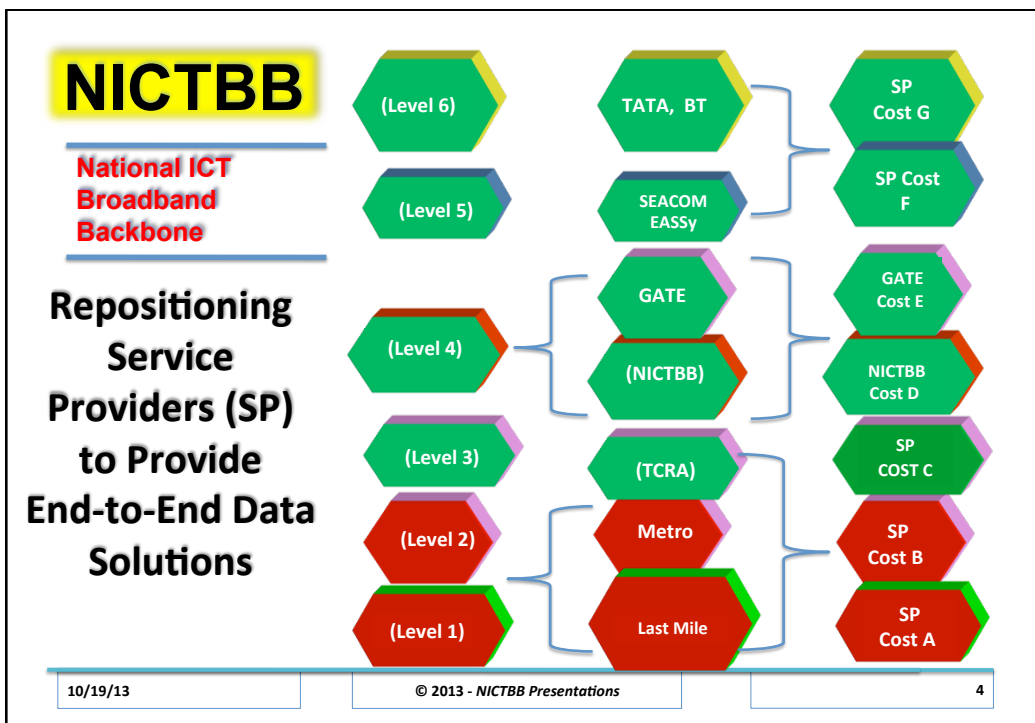
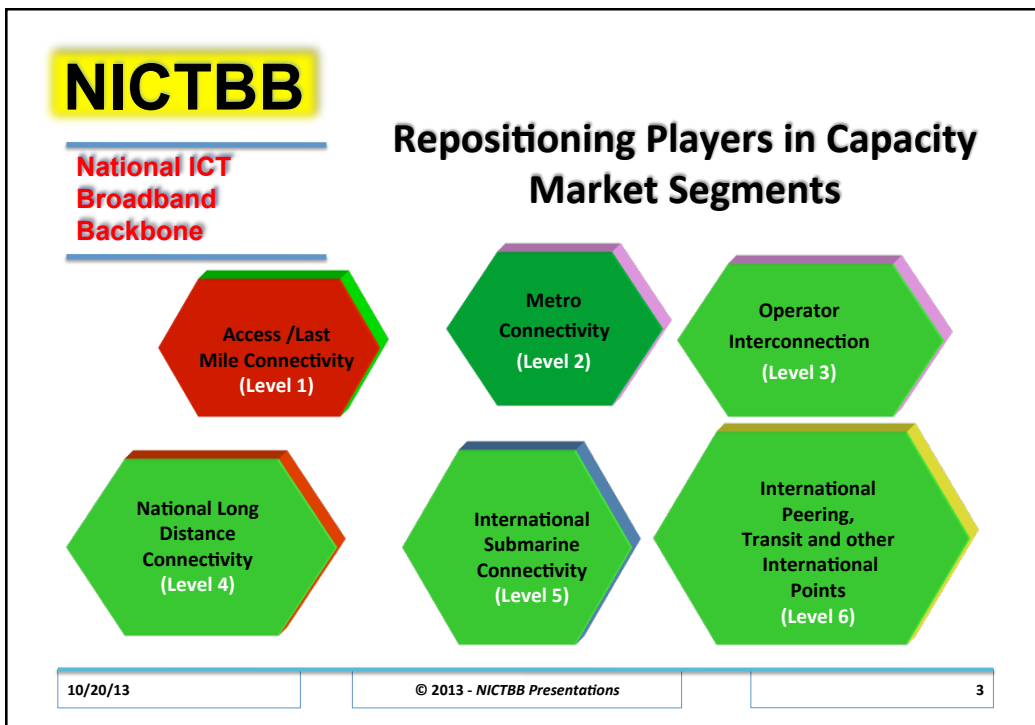
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Broadband
Backbone**

**From Lack of- to- Abundant
Bandwidth Space...**

- ✓ *First Understand the Value Chain of the Capacity Business...*
- ✓ *We see 6 segments... Desired: **fiber-level efficiency achieved at all segments.***



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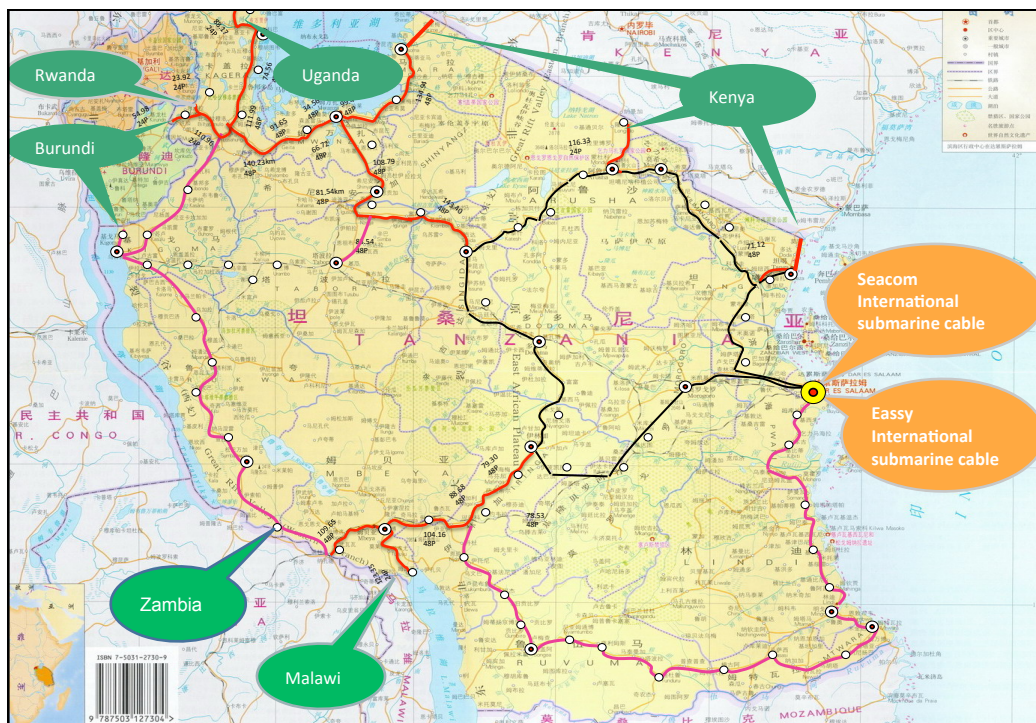
Status After Completing Phase I & II – Fully Delivered

- National coverage – 10,000km (over 7560km, All Regional HQs)
- Cross-border connectivity to neighbours (7 countries Connected)
- Adequate super-highway capacity (10G x 40 lambdas/pair): YES- Delivered
- Reliable and resilient (Ring-based, Mesh-based)- Three Rings operational.
- Speedy connection at global level (3 sea cables): SEACOM, EASSy, TEAMS
- Switching capabilities nationally (DWDM,IP,SDH): YES-Delivered!
- Secure and Free from vandalism: Public Awareness needed
- Easily accessible: Riding TTCL Service Points Countrywide
- Affordable services (STM1s, ...STM64s, FE, GE, IRU): Remarkable price drop
- Utilisation (last mile Broadband connectivity) – Challenge to all of us

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Impact on Pricing...

More minutes, more Data
with ChekaBombastik

More quality talk time, more fun time on the
nation wide network that always gives you more.

Another reason to smile
HAVING ONE
MAGICAL NUMBER
*148*00#
with the new Mini Kabong at a new magical price:-)

60 mins
all networks

1GB
Internet

Unlimited
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Tsh 900

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smile,
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tigo



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Affordability
driven by **Abundant national**
and **International**
bandwidth :

But Business Models are still based on
Lack of Bandwidth.....with only the metro
and last mile as Competitive Advantages...

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Entry (2010): Causing Over 90% Reduction on Backhaul Transport Charges (Level 4):

Distance (KM)	Operator - Non Protected	NICTBB - Non Protected	NICTBB - Protected	Price Drop - Non Protected
0-5	1,200	238	428	80%
6-50	1,850	238	428	87%
51-100	2,690	238	428	91%
101-150	3,530	238	428	93%
151-200	4,370	238	428	95%
201-250	5,210	238	428	95%
251-300	6,050	238	428	96%
301-350	6,890	238	428	97%
351-400	7,730	238	428	97%
401-450	8,570	238	428	97%
451-500	9,410	238	428	97%
501-550	10,250	238	428	98%
551-600	11,090	238	428	98%
601-650	11,930	238	428	98%
651-700	12,770	238	428	98%
701-750	13,610	238	428	98%
751-800	14,450	238	428	98%
801-850	15,290	238	428	98%
851-900	16,130	238	428	99%
901-950	16,970	238	428	99%
951-1000	17,810	238	428	99%
1001-1050	18,650	238	428	99%
1051-1100	19,490	238	428	99%
1101-1150	20,330	238	428	99%

✓ TTCL was the main provider selling capacity to other operators.

✓ The NICTBB brought a remarkable price drop for national capacity charges on day one of commissioning!

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Causing Near 99% Reduction on Backhaul Transport Charges (Level 4):

Distance (KM)	Operator - Non Protected (2009)	NICTBB - Non Protected	NICTBB - Protected	Price Drop - Non Protected
0-5	1,200	159	286	87%
6-50	1,850	159	286	91%
51-100	2,690	159	286	94%
101-150	3,530	159	286	95%
151-200	4,370	159	286	96%
201-250	5,210	159	286	97%
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1001-1050	18,650	159	286	99%
1051-1100	19,490	159	286	99%
1101-1150	20,330	159	286	99%

✓ The NICTBB's Tariffs Reviewed in September 2012 by one third reduction.

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Impact of Implementing the BB Price Reduction Strategy on Overall Monthly Capacity Pricing.....

Level	Capacity Segment	Up to 2009	From 2012
		Pre-NICTBB (US\$/2Mbps)	Post-NICTBB (US\$/2Mbps)
6	International peering, transit charges:		
5	International Connectivity:	8,000	42
4	National Long Distance Connectivity:	20,000	160
3	Operator Interconnection:		-
2	Metro Connectivity:		50
1	Access/Last Mile Connectivity:	300	220
TOTAL COST OF SERVICE CHARGE:		28,300	472

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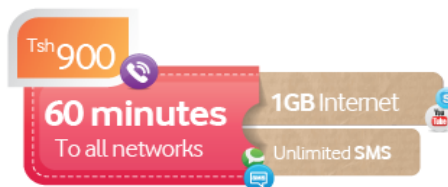
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Beware of *Bundling*:



Service providers have moved from **Voice-centric** to **Data-Centric** bundles: but leveraging drastic per unit price reduction !



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Service Providers are Driving Profitability by Bundling:

Examples of Impact on Pricing Compared to 2009 prices when 10Gb was offered for Tshs 360,000/=.....



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Impact on Pricing in 2012

BROADBAND PACKAGES AND PRICING

Services Overview | Broadband | Internet Bandwidth | IP VPN | Leased Circuits |

NEW Monthly packages with new speeds of up to 8Mbps

Usage (GB)	Price (TZS)
2	30,000.00
4	60,000.00
8	100,000.00
20	200,000.00
40	360,000.00
80	450,000.00
200	1,000,000.00

TTCL: Four times value for money! A good 75% price Drop!

NEW Unlimited downloads Packages

Package Name	Max. Download Speed (Kbps)	Max. Upload Speed (Kbps)	Monthly Price(TZS)
Unlimited 256	256	256	45,000.00
Unlimited 512	512	512	70,000.00
Unlimited 1M	1024	1024	110,000.00
Unlimited 2M	2048	2048	200,000.00

* Terms and Conditions apply.

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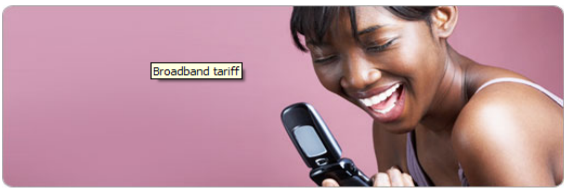
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*AirTel: Over Four
times value for
money ! over 75%
price Drop!*



Impact on Pricing in 2012



Broadband tariff

POSTPAID BUNDLES

For POSTPAID, you will have to contact Postpaid hotline (101) for details or you will have to send official, letter for your desired bundle activation request.

BUNDLE	FEE	VALIDITY
Weekly bundle(3GB)	15,000/=	7 days
Monthly bundle(8GB)	70,000/=	30 days
Quarterly Bundle(24GB)	200,000/=	90 days
Yearly Bundle(96GB)	750,000/=	365 days

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*TTCL: Five times value for
money ! A good 80% price
Drop! (Check at
http://www.ttcl.co.tz/Broadband_Prices.asp)*

Impact on Pricing in 2013

BROADBAND PACKAGES AND PRICING

Services Overview | Broadband | Internet
Bandwidth | IP VPN | Leased Circuits |

Monthly packages with new speeds of up to 8Mbps

Usage (GB)	Price (TZS)
3	40,000.00
6	70,000.00
10	110,000.00
16	160,000.00
24	210,000.00
32	300,000.00
50	370,000.00
100	460,000.00
180	720,000.00
240	1,000,000.00
320	1,200,000.00

Unlimited downloads Packages

Service Name	Speed	Monthly Price(TZS)
Nduki Bronze	512 Kbps	40,000.00
Nduki Silver	1 Mbps	80,000.00
Nduki Gold	2 Mbps	150,000.00
Nduki Diamond	4 Mbps	280,000.00

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The strategy is Working!

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smile,
your life
wider

tigo

Tsh 900

60 minutes
To all networks

1GB Internet

Unlimited SMS

THANK YOU!