

MTN chief upbeat about voice business

MTN remains bullish about the traditional voice-calls business, even as the mobile operator gears up for a shift towards data and digital services, says CEO Rob Shuter.



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He said at Deloitte's Africa in 2018 Outlook conference that population growth, increasing SIM-card and handset penetration, as well as the potential for market share gains, meant "there is still a real business in voice and SMS".

Sector heavyweights MTN and Vodacom are grappling with declining voice revenues as consumers turn to data-based platforms such as WhatsApp to make calls.

In the six months to June 2017, MTN's voice revenue in SA - where SIM-card penetration far exceeds MTN's other markets - fell 5%. But voice revenues in Nigeria and other African markets rose.



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Shuter said that population growth would support this segment, adding that about 650million people lived in the 22 countries across Africa and the Middle East in which MTN operates.

"In the next three or four years, that 650-million is going to go to 700-million people, so that increases our market by 50-million.

"It's basically the same as adding another SA to the portfolio through population growth," he said.

Attila Vitai, CEO of Telkom's consumer business, told Business Day this week that the parastatal was trying to "disrupt the market" by encouraging consumers to move from traditional voice calls to WhatsApp and similar applications.

"That's where the market is going," Vitai said.

Meanwhile, Shuter said mobile internet and digital services penetration also remained low in most of MTN's markets.

"When you look at the adoption of mobile internet, we are talking 20%-30% across these markets," he said.

MTN wanted to add 130- million active data customers over the next three or four years, Shuter said. The group has about 70-million data customers at present.



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Thanks to population growth and market share gains, MTN's total customer base could rise to 300-million from about 230-million over the same period, Shuter said.

Shuter said the group was "quite positive about the economic situation in the markets" where it operated.

Its three largest markets, Nigeria, SA, and Iran were all "on an improving trend".

Source: Business Day

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