



VdA's telecoms web

Connecting Portuguese speaking countries with & around the world

"Language is the archive of History"

Ralph Waldo Emerson

"Somewhere, something incredible is about to be known"

Carl Sagan



Introduction

Welcome to the second issue of VdA's telecoms web newsletter.

While our first issue aimed at providing a brief overview of the telecom sector in Portuguese speaking countries and in neighbouring countries, each of the following issues was to focus on the telecommunications market of a specific Portuguese-speaking country, its unique features and challenges, without prejudice to an overview of recent news in other telecommunications markets.

Throughout this issue, we have focused on Angola.

A country with an expanding, bustling economy and a young, growing population, Angola is potentially the richest country in Southern Africa, boasting a variety of natural resources including oil, gas, diamonds and an important coastline. The telecommunications sector is equally dynamic, with recent developments in several aspects of the market and with a new framework enacted in 2011.

We hope that this second issue of our newsletter is useful in its overview of the prospects for investors in Angola.

Should you wish to know more about VdA and our projects and practice areas, click **here**.

In this issue

Introduction

What's on

- Community of Portuguese Speaking Countries
- Other countries | Emerging markets

News and events



Our Team | Contact Us

- **Magda Cocco** | Partner (TMT)
- **Ricardo Bordalo Junqueiro** | Managing Associate (Competition)
- **Tiago Bessa** | Associate (TMT)
- **Isabel Ornelas** | Associate (TMT)



What's on

Angola: a bird's eye view of the telecommunications sector

Angola's telecommunications sector has come a long way since the end of the civil war. Not only has the country benefited from its considerable natural resources (in particular, generous oil reserves), but the end of the armed conflict has meant that foreign investment in the country has multiplied and the mobile market has soared.

In any case, we believe that the Angolan telecommunications market still has considerable potential and investment opportunities. Below you may find a brief overview of the main indicators to be taken into consideration in this respect:

- Current Population: 18 Million
- Fixed Penetration Rate (2000): 0,16%
- Mobile Penetration Rate (2011): 53%
- Internet Penetration Rate (2009): 1,78%
- Fixed Telephone Subscriptions (2011): 1,55%
- Estimated number of IT Providers: 199
- Telecommunications Authority: INACOM (*Instituto Angolano das Comunicações*)

Source: www.itu.int

INACOM, which was given fresh powers in 2008, acts under the supervision of the Ministry of Telecommunications and Information Technology and oversees a bevy of dynamic market agents.

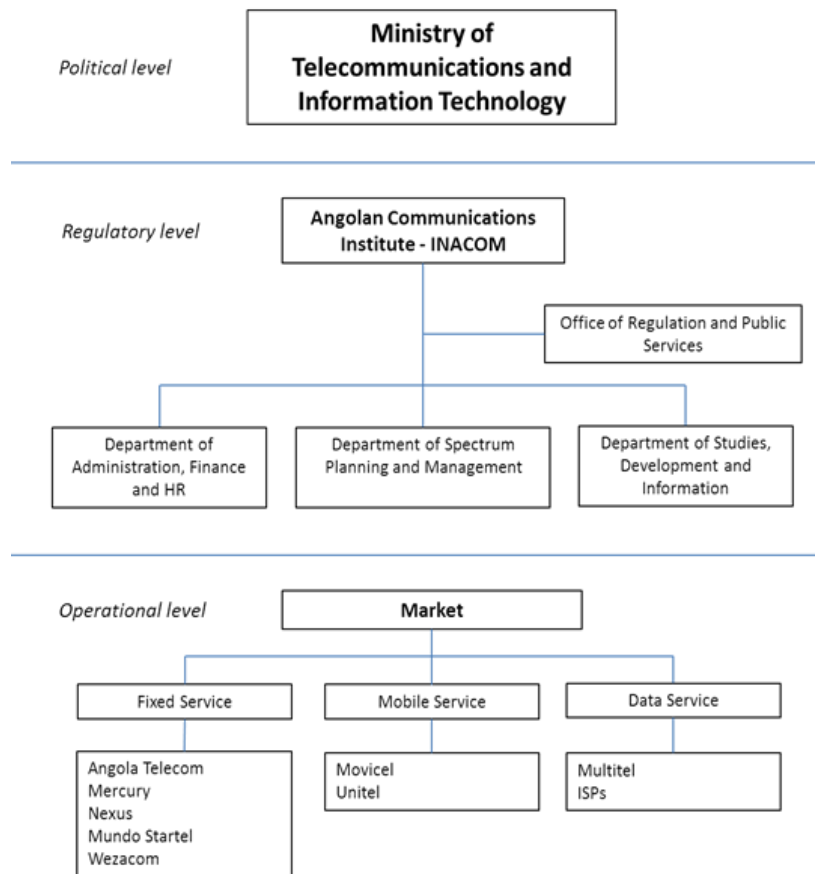
Below is an illustration of how the Angolan telecoms sector is structured, based on the model available at INACOM's website.



Angola

@ Francisco Amaral – Managing Associate VdA

Structure of the Angolan Telecoms Sector



VdA takes pride in its knowledge of the Angolan telecommunications market and its hands-on approach to legal issues in the Angolan telecommunications sector. We trust that many exciting, groundbreaking challenges are to follow.

Regulatory & Markets

Angola: Second LTE launch

Unitel is said to have launched 4G LTE services. The offer is currently available only in Luanda, but Unitel hopes to expand its service coverage. At the end of September 2012, Unitel claimed 8.1 million subscribers, for a subscriber market share of 59.1%, comfortably ahead of rival Movitel (41.9%).

Source: <http://www.telegeography.com//>

Angola: Selection of technology provider for link with WACS

Angola Cables selected Alcatel-Lucent as technology provider for its 100Gbps terrestrial fibre-optic link with the West African Cable System (WACS), supporting high speed internet services for customers in Angola and neighbouring countries.

Source: <http://www.telegeography.com/>

Angola: Unitel announces investments of US\$1.353 billion

Unitel plans to invest 130 billion kwanzas (US\$1.353 billion) in expanding its network until 2015, according to the director and assistant director-general of Unitel for the technical area. The investment, to be made during 2013-2015, is to improve voice and data services and expand network and commercial structure coverage. At the inauguration of the company's supervision centre, the director said that the same amount had been invested over 3 years to expand the fibre optic network to 12 of the country's 18 provinces and to launch the fourth generation network – LTE (4G).

Source: <http://www.macauhub.com>

Brazil: PT receives formal green light for Oi purchase

Brazil's anti-monopoly commission (Economic Defence Administrative Council) has given the green light to Portugal Telecom's acquisition of a 22% stake in local operator Oi SA. The agency decided that no 'competition-related' issues arose.

Source: <http://www.telegeography.com/>

Cape Verde: Deliberation on CVTelecom's capital cost calculation

The National Communication Agency of Cape Verde (ANAC) approved the report on the public consultation over the methodology for calculating capital cost for CVTelecom, S.A (2011-2013 period) through Deliberation nr. 10/CA/2012, dated November 30. The report is available (in Portuguese) here.

Source: <http://www.anac.cv/>

Mozambique: MoU on Telecommunications and Radiodifusion Services

The National Communications Institute of Mozambique (INCM) and the Communications Regulatory Authority in Malawi (MACRA) entered into a Memorandum of Understanding on Telecommunications and Radiodifusion Services, in December 2012.

Under this Memorandum, INCM and MACRA shall cooperate in common concerns, such as spectrum management throughout the countries' borders (including overlapping of signal and propagation of radiofrequencies).

Source: <http://www.incm.gov.mz/>

Portugal: Zon and Optimus Merger Plan

Zon and Optimus' plans for the projected merger which will see Optimus incorporated into Zon was approved by Zon's shareholders on March 7, now requiring green lighting by the Portuguese Competition Authority.

Source: <http://www.cmvm.pt>

Portugal: France Telecom agrees to sell stake in Sonaecom

Sonae and France Telecom have reached a deal for the purchase of the 20% stake that the French company held in Sonaecom. The agreement gives Sonae a call option over the shares that may be exercised by August 2013, as well as a put option exercisable by France Telecom in the three months thereafter.

Source: <http://www.cmvm.pt>

São Tomé e Príncipe: PT subsidiary launches fibre network

CST, Portugal Telecom's subsidiary in São Tome and Principe, has launched its FTTH network, now providing broadband up to the customer's home (internet access and data) through copper and FTTH-GPON networks, with speeds of up to 15Mbps.

Source: <http://www.telecompaper.com>

São Tomé e Príncipe: Second telecoms operator announced

According to local reports, Unitel International Holding is set to be the second fixed and mobile telephony operator in São Tomé e Príncipe. It is reported that this was the only entity which complied with all technical and financial criteria in the public tender, although seven (undisclosed) companies took part in the tender.

Source: <http://www.macauhub.com.mo>

Mozambique: Invitation for Bids in International Data Communication Capacity Procedure

The Mozambique Government has launched an invitation for bids for the supply of 1 STM 1 IRU International Capacity from Undersea Cable Bandwidth between the Government Electronic Network NOC and elsewhere in Europe, excluding Marseille. Bids must be delivered by April 22, 2013.

Source: <https://www.devex.com>

Mozambique: Auction for the Granting of Rights of Use of Frequencies

INCM has announced the launch of an auction for the granting of rights of use of frequencies in the 790 MHz-862 MHz range. Biddings shall start at 30,000,000.00 USD (thirty million US dollars) per lot, with a total of 5 lots to be made available. Applications must be submitted by May 13, 2013.

Source: <http://www.incm.gov.mz>

Myanmar: Public tender for awarding two telecommunications licenses

The Government of the Republic of the Union of Myanmar received 91 Expressions of Interest in the public procedure for the award of two nationwide telecommunications licenses. This reflects the exceptionally strong interest in the market of Myanmar - with a population of 64 million, a mobile penetration rate of only 9% and a fixed penetration rate of 1.3%.

The second stage of the procedure will consist in the pre-qualification of operators for participation in the third stage of the process, to be based on comparative evaluation.

Source: <http://www.mpt.net>

Other countries | Emerging markets

Republic of Cameroon: Viettel secures third mobile licence

Viettel (present in two Portuguese speaking countries (Timor-Leste and Mozambique)) has won Cameroon's third mobile licence, according to a report by Agence Ecofin, which states also that Viettel will invest nearly USD394 million in the mobile network rollout to cover 81% of Cameroon upon launch.

Viettel will compete with established mobile companies MTN Cameroon and Orange Cameroon which, between them, claimed around 13.36 million wireless customers in September 2012, according to TeleGeography's GlobalComms.

Source: <http://www.telegeography.com/>

Namibia : Telecom Namibia acquires Leo

The Communication Regulatory Authority of Namibia (CRAN) has cleared its acquisition of mobile operator Powercom (Leo). The transaction was approved by the Namibia Competition Commission (NaCC). This transaction with Guinea Fowl Investments (a joint holding company of Investec Asset Management and Nedbank Group) may now be completed, so as to acquire a 100% equity stake in Powercom.

Source: <http://www.telegeography.com/>

Morocco – 2013 will be a great year for the country

Morocco features a majority-privatised, highly profitable incumbent telco (Maroc Telecom, MT), 3 fixed and mobile network operators, as well as the highest penetration and low



Vietnam

@ Paulo de Barros Baptista – Partner VdA

prices for broadband Internet access. The sale of 53% of MT in 2013 is expected to reach over US\$7 billion.

To accommodate increasing voice and Internet traffic, fibre optic national backbone networks and international connectivity are being expanded. A new terabit international cable from Europe landed in the country in 2012.

Source: <http://www.buddeblog.com>



News and events

UK: Telecoms Regulation Forum 2013

The Telecoms Regulation Forum, a leading and comprehensive telecoms regulation event, seeks to allow national regulators, European institutions and market players to address the telecom industry while focusing on developments in the European market. This year's event will occur in London (22-24 April), focusing on the Middle East.

Source: <http://www.allconferences.com>

Dubai: TMT Finance Middle East & North Africa Conference

The TMT Finance event (to take place from 22-24 April) will include sessions on Global Telecom Leadership; The Future of TMT; M&A, JVs and Partnerships; CFO Strategies; Raising Finance; New Growth Opportunities; Policy and Regulation; Infrastructure Sharing, Broadband Investment, Innovation and Governance.

Source: <http://www.allconferences.com>



Cabo Verde

@ Paulo de Barros Baptista - Partner VdA

Quality | One Team | Focus on the Client | Independence | Innovation

Lisbon
Av. Duarte Pacheco, 26
1070-110 Lisbon | Portugal
lisboa@vda.pt

Oporto
Av. da Boavista, 3433 - 8º
4100-138 Oporto | Portugal
porto@vda.pt

Madeira
Calçada de S. Lourenço, 3 - 2º C
9000-061 Funchal | Portugal
madeira@vda.pt

Brazil
brazil@vda.pt
Angola
angola@vda.pt
Mozambique
mozambique@vda.pt

This is a limited distribution and should not be considered to constitute any kind of advertising. The reproduction or circulation thereof is prohibited. All information contained herein and all opinions expressed are of a general nature and are not intended to substitute recourse to expert legal advice for the resolution of real cases.

 **VIEIRA DE ALMEIDA**
& Associados Sociedade de Advogados, RL

 **Atlas**
International platform

www.vda.pt

