

Telkom in need for speed

 By Duncan McLeod: @mcleodd

10 Sep 2012

Telkom's investing in new network infrastructure must be welcomed, even though it will take time to make the faster speeds widely available



The days of watching YouTube videos buffer, even high-definition ones, may soon be over - for some consumers, anyway. Telkom this week launched the commercial trial of its new 20Mbit/s and 40Mbit/s digital subscriber line services. These speeds are far greater than anything offered by the fixed-line operator to date and promise eventually to usher in a world of high-definition video on demand and Internet protocol-based television to South Africans. For now, though, the geographic scope of the faster network is limited and then only to some users of Telkom's own Internet service provider.

It's early days yet, but the pilot forms part of a multibillion-rand project to rejuvenate Telkom's access network into homes and businesses, bringing much faster fibre closer to consumers so that speeds over the final bit of the network, which is still made of copper, can be boosted using technologies with arcane names such as ADSL2+ and VDSL.

Telkom needs to invest

In some instances, Telkom is even talking about taking fibre links directly into homes and businesses, though this will probably be limited mainly to dense housing estates and office parks for now because of the sheer cost of replacing the copper that's already installed.

Despite concerns from some Telkom investors, this is absolutely the right strategy for the operator. If it doesn't pour money into offering faster speeds and improved network quality, it may as well cede the market as mobile rivals invest billions of rand into alternative wireless broadband networks.

Let's also remember that fixed lines will always have advantages over wireless alternatives, including the ability to offer truly

uncapped broadband to everyone. Fixed-line broadband is crucial to economic development. Start-ups, especially in technology, need access to robust, fast and unlimited Internet. The mobile networks can't offer that and may never be able to do so.

Invest in the infrastructure

Of course, wireless is going to have to suffice outside the cities and towns simply because fixed lines are too expensive to deploy in outlying areas. Operators should be able to make a business case for building wireless broadband networks in the spectrum that will be freed up through the move to digital television, provided they are willing to share physical infrastructure - the base stations and the fibre that connects them.

However, the fact that it only makes sense to offer fixed services in denser urban areas - and often in the wealthy suburbs in the country's big cities - is no reason not to invest in that infrastructure. In fact, it's crucial if the country wants to nurture technology start-ups, grow the economy and create jobs.

Cheap and fast broadband, coupled with an excellent and ever-improving education system and an angel and venture capital funding network, are key to the ongoing success of Silicon Valley. Without these foundations, SA won't ever emerge as a significant player in technology innovation. So, news that Telkom is investing in new network infrastructure must be welcomed, even though it will take time to make the faster speeds available to a wide range of consumers and even though the company will probably charge a premium for access for the faster speeds, at least at first. It's good for consumers, it's good for the country and it's good for Telkom.

For the most part, the operator is finally doing the right things again after years of stupidity and arrogance. One just hopes government doesn't attempt to renationalise it. Of course, politicians are masters at listening to all the options available to them and then doing the wrong thing.

Source: *Financial Mail* via I-Net Bridge

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