SESSION 3: OTT AND MNO RELATIONSHIPS

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Introduction

- The telecommunications sector is today characterized by a dynamic technological context marked by the development of high and very high speed which has favored the creation of multitudes of disruptive applications in favor of an increasingly pressing demand.

- This overconsumption causes a growing data traffic to the detriment of voice traffic.

- In addition, the globalization of trade and the emergence of several actors strongly upset the digital ecosystem throughout the value chain and Africa is not immune to this phenomenon which is a little more complex because it is a continent characterized by a retail economy and with volatile customers. Operators therefore offer Internet passes from 13 cents to allow access to the Internet for all and thus contribute to the development of the digital economy. Note that these packages or pass allow you to use most of these OTT applications and make voice, video and SMS calls.

- In addition to the activity of licensed operators for the operation of telecommunications services, we are witnessing the emergence of new entities that use the infrastructure of regularly installed players to offer free or little monetized mobile telephony services. with an identical quality of service or even above average when the Internet is fluid.

- These are OTT or Over The Top represented by Viber, Whatssap, Skype, etc.

- The essential problem that arises in this situation is that of the legal, economic and fiscal apprehension of the OTT whose mode of operation raises several questions. In other words:
  - What are the impacts of OTTs on the telecommunications sector in general and the production of services in particular?
  - What is the status of these OTTs?
  - Does the legislative and regulatory system in place allow for a formal regulatory framework for these actors?
  - Should OTTs be considered as threats or as business opportunities?

Impacts

OTT activity generates a number of negative externalities on the network and the traffic of MNOs.

We can mention among others:

An average decrease of 15% on incoming international traffic from year to year;

A decline in international income

A decrease in national SMS traffic as consumers use OTTs more often;

An increase in the volume of internet traffic requiring more investment.

An increase in international call termination fraud (Bypass OTT)

An impact on the quality of service and experience QoS and QoE

A drop in tax revenues of the States

An Impact on security and the rise of cybercrime

An Impact on consumer well-being

However, we observe targeted partnerships between OTTs and MNOs ………

Conclusion

it is useful to question the characteristics of a win win model that is both effective and motivating:

- Strive for a balance between the competing interests of MNOs and and those of OTT service providers that contribute to the dynamism of the mobile market that benefits the consumer;

- The legal and institutional framework in place must at the same time move away from its constraints eg: territoriality rules ; and adapt to the dynamism of the sector for better legal, tax and economic understanding of OTTs;

- Implement measures to reduce the effects of cannibalization of MNO voice business by OTT services;

- International and Community legislation must be initiated to compel OTTs to register with each state where the services are delivered with a clearly specified legal regime.

- OTTs will therefore be able to legally terminate their traffic on MNO networks.

- Of fact, even if OTT services allow citizens access to ICT at low costs, in the long run, the spread of this practice will generate serious challenges of development of the telecom sector.

- OTTs use the MSIDNs provided by MNOs for the registration of their customers. They thus have a global customer base. A mutually beneficial area of collaboration (AI solutions, biometric identity etc.) can be exploited.

- OTTs are increasingly positioning themselves on the infrastructure, this could considerably enrich international internet connectivity but regulatory challenges exist especially where open access is not yet a reality
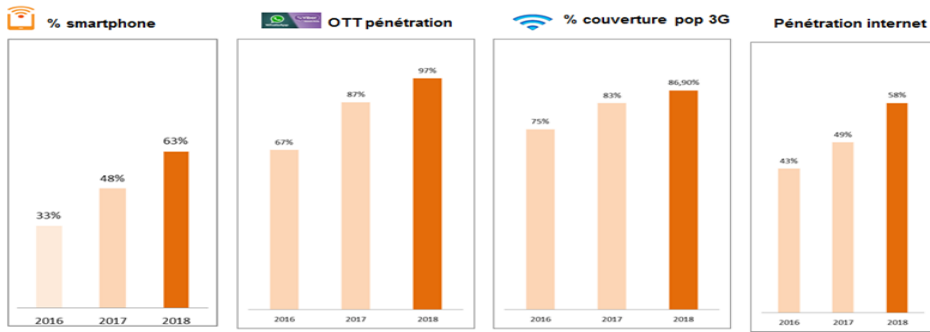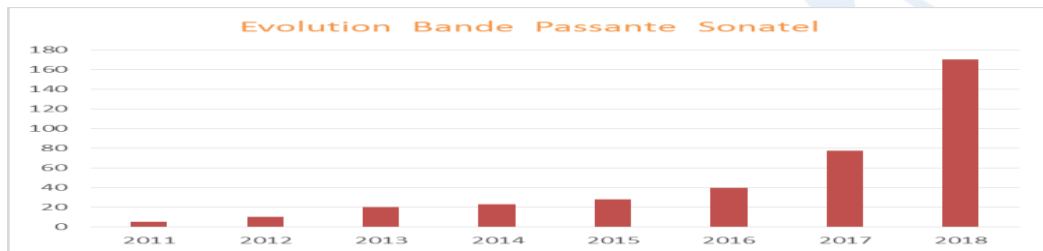
Graph 1: Example of Sonatel: in the last 3 years, significant growth of all enablers contributing to the development of OTTs activities
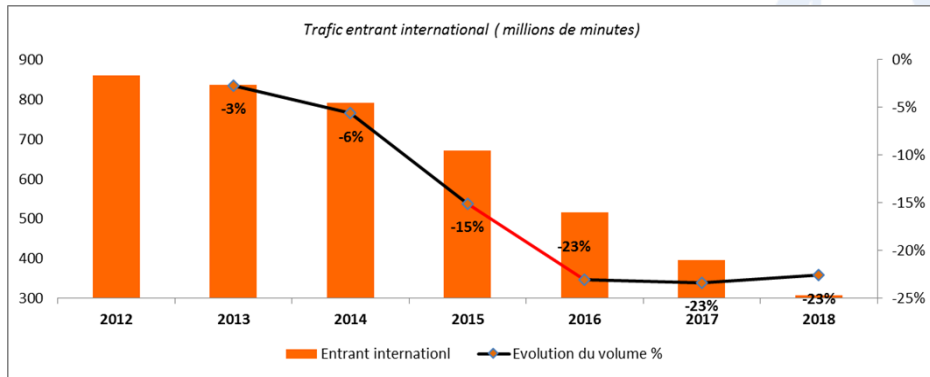
Graph 2: Example of Sonatel; Continued decline in international incoming traffic due to the combined impacts of OTT traffic, Simbox fraud, and OTT by pass

Graph 3: Sonatel example: Between 2011 and 2018, the Bandwidth of Sonatel has been multiplied by 8. To meet the growing needs of uses.
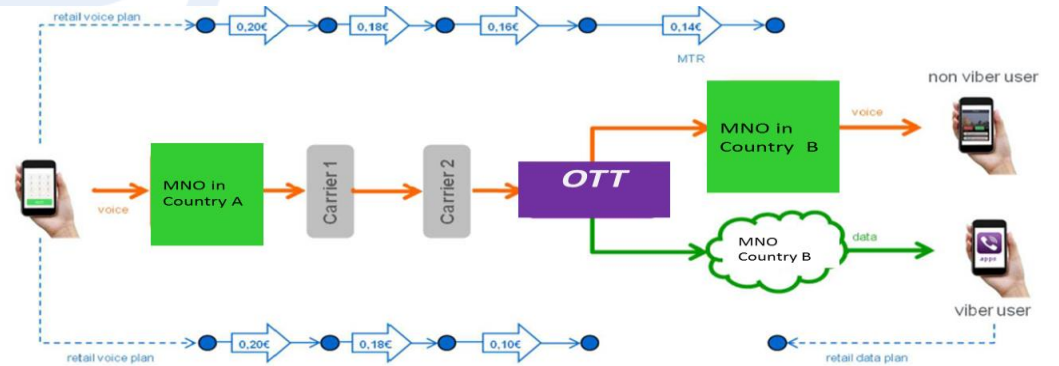

Tableau 4: OTT bypass

thank you

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