GAMBIA

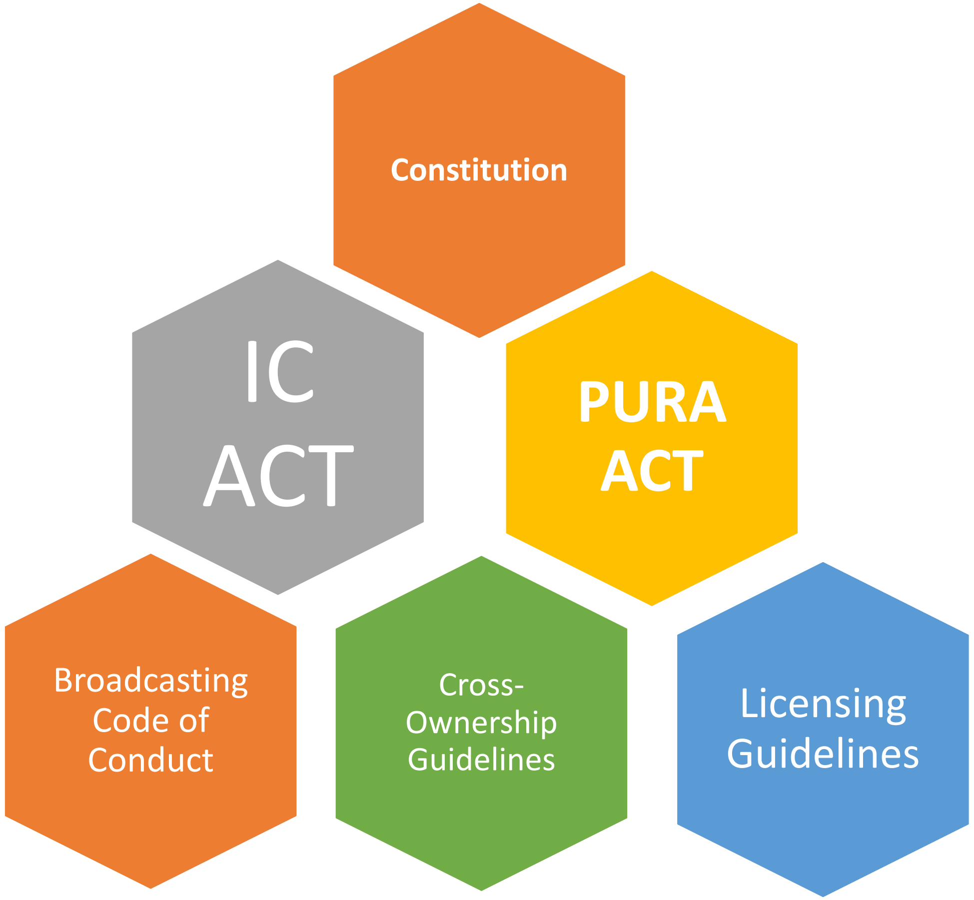
LIBERALIZATION OF TV SPACE – CHALLENGES AND PROSPECTS

BURAMA JAMMEH
PURA

Public Utilities Regulatory Authority
PURA
Equity in development

CONTENTS

Legislative Framework



Institutional Roles at Liberalization

MOICI

- Responsible for Strategic Policy Direction
- Final License Approval
- Head of DTT sub-committee
- Set Switch Off Date

PURA

- Responsible for Broadcasting regulations
- Handling License applications
- Chairs DTT sub-committee
- Approval of Proposed Pricing Structures

GRTS/DGL

- GRTS - Parent company of DGL Gambia
- State-Owned Broadcaster
- DGL to be licensed as Signal Distributor

EXCAF

- PPP Contract with Government of The Gambia
- Responsible for financing roll-out of DTT in The Gambia across all transmitter sites
- Subscription based revenue model
- FTA Providers

The Migration Process

Government Policy Declaration to commence the migratory process

Regulator (PURA) identified and earmarked the relevant frequencies

Private Operator chosen by the Government of The Gambia (EXCAF) to be responsible for deployment.

Concurrently, licensing of operators commenced

Infrastructure was deployed in 2019/2020.

Local Company Incorporated to be Government partner (DGL) – Spin off from incumbent state owned TV

APPROACH TO MIGRATION

ve Selection

n towards
e provider

Public Investment

Limited to provisioning of land/sites for migration.

2 Frequencies (50 Channels) handed over to Signal distributor – dual role of SD + CSP

Funds from spectrum sales went directly to the national budget

Local TV Stations

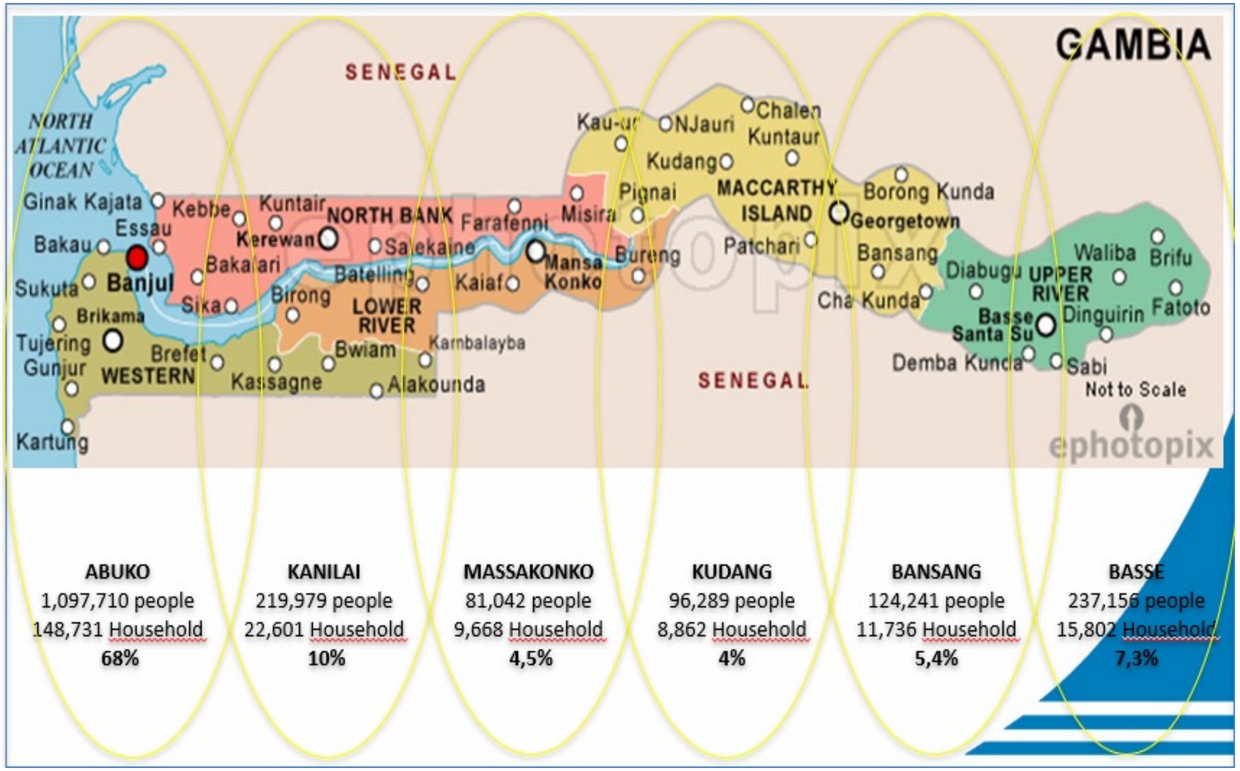
Approach towards enticing local entrepreneurs

However, licensing preceded infrastructure deployment

Exemption eventually granted for use of analogue signals

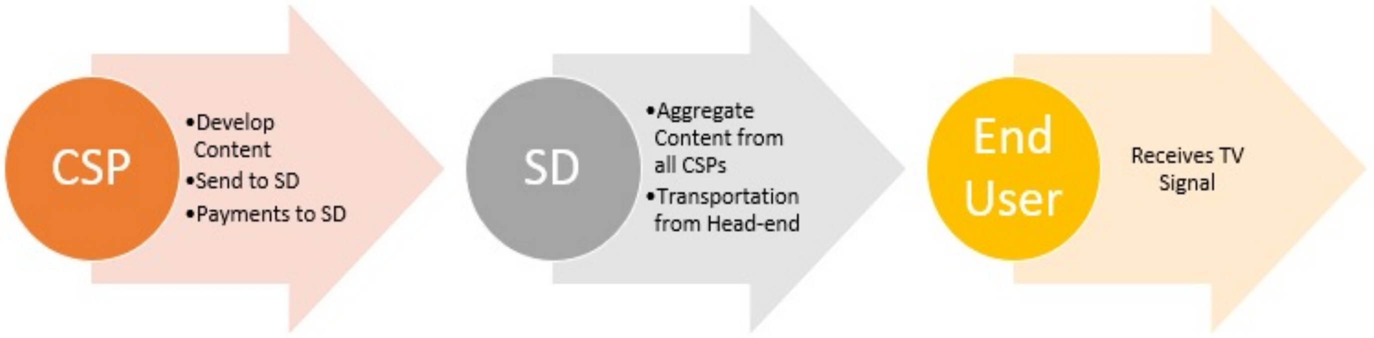
INFRASTRUCTURE

- 6 Transmitters were to be deployed nationwide.
- Demand simulated as proxy of electricity meters in the country.
  - Cumulative 217,000 households countrywide
  - Total Project Cost - $14.9m
  - Expectations that consumers will buy bouquets
  - Demand targets could not be met
- Utilization of National Fibre Infrastructure for transportation of signals



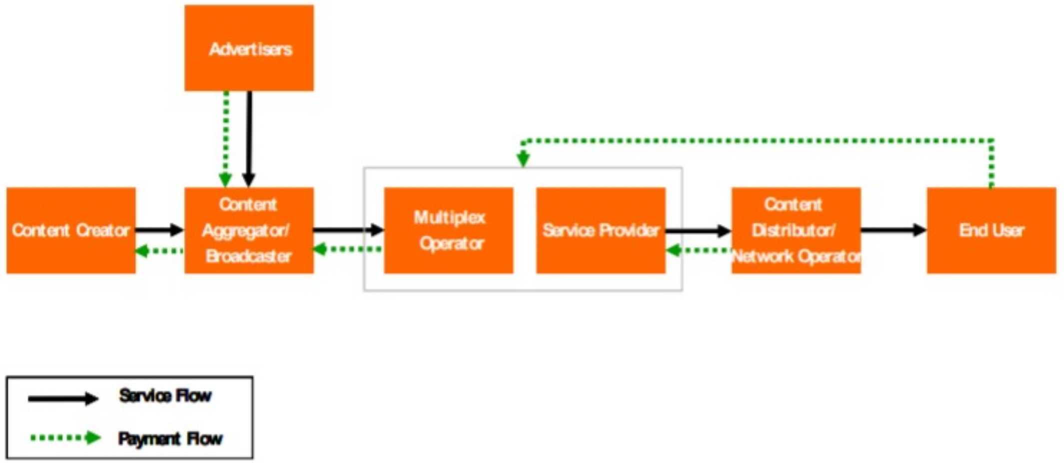
Revenue Model – 2 Facets

- **Free to Air**
  - **Locally licensed CSP's to pay for the transmission of signals**
  - **They started on analogue despite the presence of the Signal Distributor.**
    - **Reticence to paying monthly fees**
  - **Fees were to be set by Regulator**



Revenue Model – Pay TV

- EXCAF Granted exclusivity to monetize 2 Frequencies (2 x 25 channels) into bouquets.
- Designed to recover investment cost + profit sharing with Government (80/20)
- EXCAF to obtain financing
- Pegged at $15/month
- Cost of Set-top box $42



Local Market

- Immediate interest from Entrepreneurs
- Historically, just one stated owned TV Station.
- Currently, 8 licensed TV stations (7 Private + 1 Public)
- Presence of DSTV in Local Market (High end)
- Local provisioning through use of utility lines ($6/month)
- Import of boxes from Middle East
- Value Proposition for the Gambian Market – Football (EPL, La Liga, Champions League)
  - Complicated Licensing Rights

CHALLENGES TO THE LIBERALIZATION PROCESS

Competition

Local Providers already present in Mass Market SD + CSP Targeted

DSTV , also present

Value Proposition

Regulatory forbearance – PURA requested for distribution rights to ensure protection of intellectual property

Financing Issues

Infrastructure deployment could not be completed

Recurring bills for utility (Electricity + Fibre not honoured)

Lack of Government Investment

Public Buy-In

Cost of Set-top boxes were too high for local populace

Most local providers also on satellite already deployed in homes.

EXCAF exited market entirely

Prospects

Infrastructure

- Mature state of Infrastructure in The Gambia – Relatively new fibre deployments
- Mass penetration of Televisions owing to electricity + diaspora remittances

Government Financing

- Partial willingness to use digital dividend funds to finance infrastructure
- Significant private sector interest for a clear PPP scheme

Local Content

- 7 local channels existing + 1 Licensed, yet to be operational
- Significant opportunities for cultural definition and local content

Lessons Learnt

- Procurement process
  - Important to select the SD in a transparent manner
  - Allow for proper due diligence
- Public Financing
  - In small countries like the Gambia, the initial seed capital considering market dynamics has to be led by the state
- Clarity on Roles
  - Conflating SD + CSP may result in competition issues through implementation.
  - Importance on strong contracts – Government was able to exit from this non performing arrangement due to non-performance.
  - Public vs Private Arrangements
- Strong Regulatory Oversight
  - Particularly on copyright issues + licensing

THANK YOU
BURAMA JAMMEH
DIRECTOR – ECONOMIC REGULATION

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