

Econet grows subscriber base

By [Dumisani Ndlela](#)

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Econet Wireless has anchored its place as Zimbabwe's largest mobile network after growing its subscriber base by 41% during the six months to August 31, 2008.

This is against growth of a mere 3% reported for the 2008 full year to February 2008.

The growth for the half-year period to August 2008 even surpassed that achieved in 2007 of 39%.

Group CEO Tawanda Nyambirai, said in a statement to shareholders on Wednesday, October 15 that network expansion had taken the subscriber base from 653,936 in February to 910,047 by August 31.

Econet already commanded a 60% share of the local subscriber market, against a 17% share by privately-owned Telecel Zimbabwe, and 26% by government-owned NetOne.

The new figures indicate that its share of the market has grown ahead of its competitors whose expansion has stagnated as a result of an economic meltdown in the country.

Econet's growth, said Nyambirai, had been underpinned by the availability of additional network capacity from the current phase of expansion which he said was likely to result in a subscriber base of 1.2 million by February 2009.

"The business is continuing with the upgrade of its network infrastructure in the southern region (of the country)....The target to achieve 1.2 million subscribers by February 2009 is still on track," said Nyambirai.

The increase in the subscriber base by Econet is likely to raise the mobile penetration rate to just over 10%, one of the lowest on the continent.

However, the increase in the subscriber base had not resulted in significant revenue growth in real terms due to low tariff levels.

Nyambirai said tariffs remained "consistently less than 1US cent over the six month period," against regional average tariff of 20US cents.

Growth in among the country's three mobile networks has been slow but analysts say there is immense pent-up demand that remains unsatisfied due to the current economic crisis which has hamstrung infrastructure upgrades at the networks.

ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on dndlela@yahoo.co.uk.

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