



TELETIMES MEDIA LLC

INTERNATIONAL teletimes

Issue 169
December
2019

The latest in Telecom, ICT and SatCom sectors of the Middle East, Asia and Africa



"We are continuing to execute our mission of being a global provider of connectivity for people, enterprises and things"

Ramesh Ramaswamy - SVP & GM International Division at Hughes

Exclusive Interview : Khalid Athar



"2020 will be building on the success of 2019 and we will be gearing towards the launch of our JUPITER 3 Satellite in the U.S. which should give us continued growth both in North and South America"

"We are continuing to execute our mission of being a global provider of connectivity for people, enterprises and things"

Ramesh Ramaswamy - SVP & General Manager International Division at Hughes Network Systems speaks to Teletimes in an exclusive interview at AfricaCom 2019, Cape Town

Khalid Athar: How do you look back at the year 2019?

Ramesh Ramaswamy: 2019 has been a very interesting year for Hughes. We are continuing to execute our mission of being a global provider of connectivity for people, enterprises and things. We have always believed that to be successful in this business, you need to have a combination of service provisioning driven by innovation and technology. From that perspective, we continued to invest in being vertically integrated, providing consumer and enterprise services across the Americas. We have our own satellite capacity in service in the Americas and we are still growing our consumer business. We crossed 1.4 million subscribers in the U.S. and Latin America. So, this is a very thriving broadband business in the Americas.

Apart from that, we have announced a joint venture with Yahsat, where we are a minority shareholder to provide services to Africa and Middle East. And we also announced that we will merge our Indian broadband service business with Airtel's broadband service business to create more critical mass in India. So, we are executing on being a global service provider. In addition, across the globe, our JUPITER Platform is continuing to become the defacto standard for all the service providers. According to one statistic, we have delivered or are delivering over 65 percent of the global terminals that are being shipped yearly. Major service providers, whether it be for KA band broadband service or conventional KU and C based services, are

picking the JUPITER platform, especially in Africa. Overall, it has been an excellent year for us.

KA: Would you like to give some more detail about your partnership with Yahsat and Yahclick?

RR: Yahsat has been a customer of Hughes for many years and they selected the Hughes platform to power services on two satellites, Al Yah 2 and Al Yah 3 covering Middle East and Africa. We not only supply technology

to help them grow. With all the synergy, the partnership is going very well.

KA: Is it difficult to target different markets with different dynamics? The satellite space has evolved globally, and differently in different parts of the world. What is your strategic take on this?

RR: Obviously, our biggest market is North America and as I mentioned, what drives the business is the consumer broadband service. We have over 1 million subscribers in North America and we still think there is potential for another 10 to 12 million unserved and underserved homes to benefit from satellite broadband. We have invested in capacity over the Americas and have committed to launching another 500 gigabit satellite in the next year and half. So, we will continue to focus on North and South America for consumer broadband. Now, the South American business is obviously more challenging than the North American business from the profitability perspective. I think while the US will be predominately consumer business, Latin America will be a mix of consumer, enterprise and carrier business. With regards to Africa, we are not in the frontend. Our JV partner will continue to grow in the Africa business. Some of the challenges in Africa are not different then what we saw in Latin America, where there is a market but the ARPU (annual revenue per user) would be low. So, you have to have more innovative services like cellular backhaul, community Wi-Fi and so on - not just direct to consumer. I think that's a quick overview of the situation right now.

"We invested \$100m to take 20% stake in the Yahclick broadband business covering Africa and Middle East"

but we also operate their network providing OSS and BSS services. So, it was logical from a perspective that Hughes wants to be in the international broadband service business. They were a logical partner. We invested 100 million dollars to take 20% stake in the Yahclick broadband business covering Africa and Middle East and that joint venture was completed late last year. Obviously, they run the company but Hughes continues to provide service to run the network as well as bringing our expertise that we have gained providing services in the Americas

We have over 1 million subscribers in North America and we still think there is potential for another 10 to 12 million unserved and underserved homes to benefit from satellite broadband

KA: With IoT really taking off, satellite connectivity has begun to come in and play a role. How is Hughes helping in connecting things?

RR: We look at IoT in two ways. One from the broadband perspective and the other from the narrowband perspective and where that fits. The broadband perspective is very simple, it's an aggregation strategy so you have devices that locally collect data and then the satellite broadband just acts as backhaul. So, you aggregate a bunch of IoT devices where traffic comes into a single broadband terminal and you backhaul it. So that's one and I think we are well positioned to do that. Our parent company EchoStar is focused on the narrowband piece of the IoT business. That's a direct connection of devices and is using our S-band assets. EchoStar has an S-band satellite in Europe and recently we announced that we have acquired a company that has S-band spectrum globally. So, the intent is obviously to leverage those assets to be in the narrowband direct device connectivity business and then leverage the broadband assets to do back-hauling where it makes sense and that's where we see it going.

KA: Tell us a little about the JUPITER System.

RR: Well, let me just define the JUPITER System. The JUPITER system is our next generation very small aperture terminal (VSAT) system for broadband devices

over satellite. There we have delivered innovation year after year. Essentially, in this business you want to get faster and faster speeds for lower and lower cost. And that means essentially a higher processing power and better bandwidth efficiencies and the third thing is availability to carry multiple applications such as consumer, enterprise and cellular back-hauling applications. The JUPITER system has continuously evolved across all three sides. We are in third generation of JUPITER system technology and I think every 18 months we come out with a new version that is better in terms of performance but always backward compatible, so our customers can continue to grow.

KA: Would you like to talk about the Community WiFi solution? Do you have any success stories from Africa related to it that you can share?

RR: Yes. We are a big believer in the Community WiFi model, especially where pricing and purchasing power are not really at an ideal level. We recently announced a partnership with Facebook, where we integrated our solutions with their Express WiFi platform. We, as Hughes, have successfully rolled it out in 3 countries in Latin America. This is our own service where you have a wireless access point in a VSAT terminal in a community center and people come and use internet on a per-use basis. We are extending that model through our joint venture in Africa. We expect that the Yahlick business will roll out community WiFi centers across different countries.

KA: What are your expectations from 2020? Where do you see the highest growth coming from?

RR: I think 2020 will be building on the success of 2019 and we will be gearing towards the launch of our JUPITER 3 satellite in the US which should give us continued growth both in North and South America. We expect that the Yahlick JV will build on its success and grow the subscriber base. We expect the Indian joint venture with Bharti to conclude and provide us more scale in India. And of course, we expect our JUPITER platform to be again adopted by service providers across the globe. ■



"In the last year we have been doing business with more and more of the big operators in countries such as South Africa, Congo, Ethiopia, Botswana, Tanzania etc. Most of them are choosing JUPITER to launch their next generation satellite services which include primarily broadband, enterprise services and some of them are using it for cellular backhaul. The total cost of ownership with JUPITER helps the service providers come up with very cost-effective service plans for their end customers and the demand is driven by end customers. This is really helping us and we are well placed for the next year."

Dharmendra Singh
Assistant Vice President SSA at Hughes