

# Zim: Potraz targets rural areas for telecom services

By [Dumisani Ndlela](#)

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The Postal and Telecommunications Regulatory Authority of Zimbabwe (Potraz) has begun a process to roll out telecommunication services to rural areas through the Universal Service Fund (USF), which has been idle for years.

In a public tender issued Thursday, 27 January 2011, Potraz said it wanted to install passive telecommunication infrastructure in designated rural areas in the country using the USF's connecting rural communities' project.

Potraz is therefore seeking bids from qualified civil and structural engineers to design and install the infrastructure on its behalf, the notice said.

## Infrastructure sharing

Passive telecommunication infrastructure consists of towers and physical sites which can be shared by various telecommunication companies. Infrastructure sharing helps in reducing the cost of providing service by reducing the capital and operational costs.

The USF was established under the provisions of subsection (1) of Section 73 of the Postal and Telecommunications Act [Chapter 12:05]. Proceeds from the fund are derived largely from 2% of annual revenue levied on all licensed operators, although Potraz can boost the fund's coffers through any money appropriated by an act of Parliament for the purposes of the fund and surplus funds at the end of the regulators financial year.

## Concentration in urban areas

Local telecommunication firms have been less aggressive in rolling out telecommunication services to rural areas due to high costs as well as lack of meaningful returns from such investments due to lower revenue per user averages in remote communities.

As a result, telecommunication infrastructure has been largely concentrated in urban areas.

The fact that local telecommunication firms have been reluctant to share infrastructure has also limited the extent to which such investment can be made by the companies in remote areas of the country.

The passive telecommunication infrastructure to be put up by Potraz under the USF will likely be the first arrangement under which the three mobile networks will share infrastructure in the country.

## 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](mailto:dndlela@yahoo.co.uk)

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