MWEB extends Africa coverage
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INTERNET service provider MWEB Africa is buying pan-African rival Afsat Communications to extend its coverage into 10 more African countries.

With the acquisition of the Kenya-based company, MWEB will operate in a total of 26 countries.

Afsat supplies internet access to businesses and consumers and secure data network services to some governments. It trades under the iWay brand in west, east and central Africa, and has operating subsidiaries in Kenya, Nigeria, Tanzania and Uganda. Its shareholders include Modern Africa, an investment fund run by Helios Investment Partners, a British private equity firm. Other shareholders include Afsat's senior managers.

MWEB Africa CEO Harry Aucamp would not disclose the price as MWEB is negotiating other acquisitions and does not want to influence the cost of those.

"We haven't overpaid and it's value for money," he said.

MWEB would prefer to buy operators that played in several countries to gain critical mass across the continent, but it may also take over players that worked in a single country if they ran viable businesses, he said.

MWEB and Afsat operate in several of the same countries, but their services were complementary and together they would have more buying muscle for renting transmission capacity from companies that operate the satellite constellations.

Aucamp said MWEB aimed to expand its presence throughout Africa, and the Afsat deal would make it one of Africa's largest internet access providers in terms of coverage and client numbers.

"In many African countries, companies, governments and home users cannot rely on fixed line broadband services, so satellite-based internet access becomes a vital link to the rest of Africa and the world," said Aucamp.

Internet players had excellent growth potential in Africa and MWEB would now be in a position to take advantage of that, he said.