



INTERVIEW TRANSCRIPTION

Ms. CATHERINE RUMILLAT
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UNIVERSAL NEWS: *Since 1979 and under President Obiang, the country has progressed while implementing measures that promote transparency and good governance. The country plays a crucial role in the CEMAC (Economic and Monetary Community of Central Africa), furthermore great events will take place in the years to come, such as the African Cup of Nations and the African Union Summit. What image would you say Equatorial Guinea projects internationally and how does that image contrast with the reality you see?*

CATHERINE RUMILLAT (CR): In terms of the image that Equatorial Guinea presents, I must say that this is a nation that is developing greatly at a fast pace and this incredible potential exists thanks to the oil and gas reserves. All the major development projects are happening in key sectors like construction and infrastructures, telecommunications and energy. Equatorial Guinea has a challenging ambition.

UN: *Two years ago, GETESA lost the monopoly of the telecommunications sector in EG. What is your opinion about the liberalization of the market and the entrance of HITS, the new operator?*

CR: ORANGE-GETESA is a mixed company that has solely covered the market until last year. The Equatoguinean Government has 60% of its share while France Telecom holds 40%. HITS appeared in November 2009 and we hope the company develops favourably as it is extremely important to be part of a competitive market. In my opinion, HITS does not represent a threat to us but an opportunity and a future strategy for growth and development.

UN: *How has GETESA evolved in the recent years?*

CR: GETESA is a telecommunications company with more than 20 years of experience. However, we recently started establishing our expansion strategy as we currently capture 95% of the market. Together with the country's development, new needs are shown and different services are requested. ORANGE-GETESA has the determination to maintain this advantage, diversifying our products and improving our services. We have more than 366.000 mobile clients and 4.000 internet clients. We achieved this through the expansion of the satellite capacity, installation of the optical fibre in the continental region and the submarine cable which links Bata with Malabo.

UN: *When will this cable be launched?*

CR: It should have been operative more than a year ago. We have been informed that the cable will be ready very soon, as it is a project promoted and financed by the Government. We will have events from now until mid 2012. Therefore, it is crucial that this cable be

operative to provide reliable internet service and an efficient mobile coverage throughout the whole country.

UN: *I would like to talk about the economic crisis that has hit most of the sectors worldwide. How has the crisis affected GETESA?*

CR: Sincerely, it has not affected us directly. In Equatorial Guinea, telecommunications are still quite expensive in comparison to other African countries and clients here spend more. When HITS entered the market we thought they were going to lower the prices but they did not, so we were not affected pricewise. Imported materials and supplies are also very expensive in Equatorial Guinea, which raises the price of our products. Even though our inputs are more expensive, we managed to have very good sales, which balanced favourably for us.

UN: *In the last year, the sector has changed radically with the appearance of HITS. How is GETESA responding to the entrance of this new player in the market?*

CR: We have not changed our products portfolio. The difference between the two companies does not rely on ‘pricing’ but on the coverage and segmented services we have started to offer. GETESA’s coverage is much more extensive than HITS’, so currently we cannot feel a direct competition.

UN: *Which other services are you planning to offer to differentiate yourselves from your competitor?*

CR: The market share conquest requires more 3G offers for mobile phones. In this moment, we offer a myriad of attractive services, such as chatting, discussions forum, quizz, voice mail and internet. We can provide our clients with these services because we have invested and enlarged our broadband capacity. The extension from 6 to 9 digits will allow us to increase our client base and the 3G technology will favour the development of new services for the residential and business segments; the latter is very active in Equatorial Guinea.

UN: *In the last years, the telecommunications sector received large investments due to its importance in the National Development Plan 2020, which aims to extend the network along the country with antennas in more than 35 locations. This represents a big advancement. Which other investments are needed in the sector?*

CR: During 2009 we have invested more than 9 billion FCFA. We have many more projects in the pipeline to improve our services as we want to offer new products and internet all along the country, which is crucial for the real development of a nation. This year, we granted special links to certain companies providing them with extra megas for their own

purposes and needs. The majority of these companies are foreigners which even own their own satellite (VSAT). Many of the foreign companies used private satellites because GETESA did not have the capacity to offer internet services to the whole country. With the sale of customized capacity, we hope to capture a part of this market applying national and international solutions (connection among their headquarters, branches and houses).

In terms of telecommunications infrastructure, many big project are being launched, such as the cable between Malabo and Bata and the new optical fibre cable which will link Europe with South Africa (ACE). Thanks to this cable, Equatorial Guinea will have the chance to open up to the whole world without problems or lack of capacity. The existing telecommunication companies and the ones that will come in the near future will be able to offer services that currently do not exist because of the lack of capacity.

We have also invested in our human capital. In 2009 GETESA invested 316 million FCFA in technical and commercial training, for the future of the company, and we will invest more than 350 million in 2010.

UN: What will be the coverage of the ACE cable? Will it cover the whole continental region?

CR: Nowadays, we have a plan to give coverage to those continental areas where you can find population. It is important to establish the development of the network taking into consideration the economic aspect, in other words, where clients exist. However, it is also vital as the national operator to follow the Government's needs as they want us to cover determined areas. The submarine cable is basically a transmission element that will open the route, which is currently very narrow with the existent radio link, and will improve the communications quality between Bioko Island and the Continent.

UN: Africa is a market with great potential for companies looking to invest in telecommunications. Equatorial Guinea has more than a quarter million users and the penetration rate is about 40%. What is the potential that this country has in terms of market?

CR: Even though the telecommunications market in Equatorial Guinea is quite small (population of 650.000), the Equatoguinean's needs are big and the growth of the demand is expanding fast. I do not think that there is room for a third operator but the current competition represents an opportunity to push the sector's development and innovation forward. It certainly energizes and nurtures commerce.

I know Africa and Latin America and I must admit that this country is a very particular case. Equatorial Guinea has a small population but with an incredible wealth and potential for

development. You can see the development in front of your eyes all along the country. Just by travelling around the island it is possible to confirm the exceptional quality of the roads and infrastructures. Town and cities will emerge from nowhere and we have to be ready to cover them offering the best technology of the future.

UN: How would you assess the existent offer of products in this country?

CR: Nowadays, a big percentage of the Equatoguineans have mobile phones. The pre-paid system is a mass phenomenon in this country; 95% of our users chose the pre-paid system of electronic recharge (e-credit). The post-paid services present a big potential in terms of added value products such as smart phones. There is a strong trend for these terminals and services.

UN: What is GETESA's expansion potential in neighbouring countries which have ORANGE branches?

CR: ORANGE-FRANCE TELECOM has branches in more than 20 African countries. These countries have a very close relation due to the language (French). Equatorial Guinea presents a disadvantage, as French is not their first language. GETESA has the opportunity of using its experience, processes and France Telecom's tools through the R&D department, which represent a big competitive advantage.

UN: There is a saying that states that "Without good leadership, there can be no success". What is your management philosophy?

CR: It is an everyday struggle to ensure that GETESA remains the best company of Equatorial Guinea while fostering the country's development. I always try to stimulate team work, which is often hard to accomplish. It is important to actively listen and know how to guide your people taking into consideration where they come from and where they are heading.

UN: I would like finish the interview with a message for the readers of Foreign Policy, audience composed by politicians and businessmen of the United States. If you had one message to convey to them, what would that message be?

CR: Equatorial Guinea is a very young country and diversification is definitely its key for success. Local authorities want to open up to the world and they welcome all the positive aspects foreigners can bring to the country's development. They seem to be on the right path. There is a big will to develop the national telecommunications sector and this cannot be accomplished without the support of the local authorities. Telecommunications need the

contribution of many others sectors like transports, customs and others to keep on growing.
We have to create a private sector culture to keep enhancing the national growth.

END OF THE INTERVIEW