

TAJIKISTAN



Tcell Tajikistan

In the late 1990s, telephone service in Tajikistan was in a poor state: it was delivered using a single, out-of-date, radio system; headsets were heavy, expensive and short on battery life, and coverage outside urban areas was almost non-existent, forcing residents in rural districts to line up for hours at scattered land-line stations in order to communicate with others.

In such cases of pressing infrastructure needs, the Aga Khan Fund for Economic Development (AKFED) looks to make bold but calculated steps to make investments towards a solution.

In 2001, AKFED partnered with MCT to launch the “Indigo Tajikistan” mobile telephone company in Tajikistan as part of an effort to improve service and spur competition in the country’s mobile services industry. In March 2010, the company announced the

change of its brand to Tcell. Today, Tcell is the largest mobile operator in Tajikistan by revenue, with annual figures in excess of US\$ 110 million, and by subscriber base, with over 35 percent market share in 2010. It strives to uphold exemplar standards in the country in its corporate practices and customer service.

AKFED’s Approach

In situations where attracting investment can be challenging, AKFED often provides essential support and seed capital to launch much-needed private sector projects. AKFED takes a long-term view in building viable, self-sustaining companies, whose profits, in due course, can be reinvested in similar future endeavours.

The Fund’s approach emphasises the development of local economies

and human resources in the countries in which it invests. Its companies also seek to operate with the highest ethical standards and best practices, including setting examples for other companies in integrity and social corporate responsibility in their countries of operation.

Through investments like Tcell, AKFED aims to create more employment opportunities in higher-skilled segments of Tajikistan’s economy and to build local management ability. All of Tcell’s employees – more than 500 – are local residents. In line with AKFED’s philosophy, Tcell also seeks to welcome rather than discourage mobile service competitors in the country and to expand telecommunications coverage into Tajikistan’s rural areas, even if these regions are not profitable in the short term.

Tcell has established regional offices throughout the country including Khatlon. The company provides coverage to over 90 percent of Tajikistan's population.



To launch “Indigo Tajikistan” in Tajikistan, AKFED partnered with MCT, a company with holdings in 25 major mobile operators in Central Asia including Tajikistan's Somoncom – the only provider in the northern reaches of Tajikistan. The joint venture leveraged AKFED's resources and approach to economic development with MCT's expertise in telecommunications.

MCT's stake in Indigo and Somoncom has since been acquired by TeliaSonera, one of the largest mobile operators in Europe and Central Asia, giving Tcell additional resources and global expertise to draw upon in promoting development in Tajikistan. As of March 2010, Tcell has become the company's common brand, replacing the previous partner names “Indigo Tajikistan” and “Somoncom”.

Results

Today, Tcell is the largest mobile operator in Tajikistan by revenue, with annual figures in excess of US\$ 110 million, and by subscriber base, with over one-third market share in 2010.

It became the first 3rd generation (3G) mobile operator in Central Asia, making Tajikistan the first 3G-enabled country among the five Central Asian republics. Tcell offers international roaming service in over 116 countries (279 operators) and a wide range of GSM services including Video Calls and Multimedia Messaging Service.

Tcell is the first mobile provider in Tajikistan to offer coverage in the remote mountainous regions of the country, including the cities of Khorog, Ishkashim and Darwaz. It is also one of the few Tajik companies to conduct an internationally-accredited annual audit, performed by PricewaterhouseCoopers, promoting transparency and international corporate practices amongst other companies operating in the country. Tcell received the award “Best Tax Payer of the Year” in 2009 and 2010.

Impact

Tcell's successful entrance into mobile services has spurred competition in the market, with six companies now

operating in Tajikistan. Stiff competition has benefited consumers as tariff prices continue to fall while the number of services offered continues to increase.

The company now provides coverage to over 90 percent of Tajikistan's population, which has given the country an economic and social boost, especially in the rural areas. Among Tajik telecom companies, Tcell is widely recognised as a leading provider of customer service, with a 24-hour service hotline, eight walk-in customer service facilities in Dushanbe as well as more than 33 regional offices to serve the rural areas of the country.

Looking Forward

As part of its drive to constantly improve the service it provides to its customers, Tcell plans to continue expanding its coverage area until it reaches the entire Tajik population while enhancing the services it offers. It is also looking to increase its capacity in the mountainous Badakhshan region, where the company remains the only carrier in many remote communities.

The Aga Khan Development Network (AKDN) is a group of private development agencies working to empower communities and individuals, often in disadvantaged circumstances, to improve living conditions and opportunities, especially in Africa and Asia. Its agencies work in over 30 countries for the common good of all citizens, regardless of their gender, origin or religion. Its underlying impulse is the ethic of compassion for the vulnerable in society.

