Musk's Starlink Breaks Through Bureaucracy and Corruption in Africa

Elon Musk's cheaper, faster Starlink satellite internet service is growing in popularity in Africa, but some governments are still resisting it.



(Illustration by The Epoch Times, Getty Images, Shutterstock)

By Darren Taylor | Dec 14, 2023 Updated: Dec 14, 2023

JOHANNESBURG—Elon Musk's revolutionary satellite internet service, Starlink, is spreading across Africa, flying in the face of repressive and corrupt regimes that are trying to block it.

In some cases, African companies are "illegally" importing and selling the equipment to allow users to bypass expensive and often state-controlled internet service providers (ISPs), and to use the cheaper and faster connectivity provided by the world's richest man.

Many Africans living in countries where authorities haven't yet granted regulatory licenses to Starlink, which is a division of

SpaceX, are also accessing its services using signal-boosting equipment.

The signal boosters enable users to link to a SpaceX "ground station" in Nigeria, which in January became the first African country to grant regulatory approval to Starlink services.

"The tech revolution is happening at a pace that most African governments just cannot keep up with," said Arthur Goldstuck, founder and CEO of World Wide Worx, one of Africa's leading tech firms.

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"The genie is out the bottle. The sooner they realize that they can't control the uncontrollable, the better for them and the better for their people," he said.

Mr. Goldstuck said Africa is the world's fastest-growing, but most "technologically-starved," continent.

"Data is expensive in Africa, and you can't progress in the modern world when data is expensive. So demand for well-priced and speedy connectivity has exploded. Musk is feeding this demand," he told The Epoch Times.

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"Some governments don't like this, because they want to control everything, and mostly they want to control money and information flows."

Starlink, operated by Mr. Musk's SpaceX spacecraft manufacturer and satellite operator, has a constellation of thousands of satellites in low orbit, delivering the world's "most advanced broadband internet system" to 60 countries, according to its website.

Mr. Goldstuck said "progressive" African governments that encourage private enterprise and respect its ability to help develop their countries have "no problem" with Starlink and recognize its value.

"It offers high-speed streaming, video calls, and remote working, all of which contribute a lot to economic efficiency," he said.

Officially, Starlink is available in only seven of Africa's 54 countries: Benin, Kenya, Malawi, Mozambique, Nigeria, Rwanda, and Zambia. Another 25 are scheduled to go online in 2024.



Young Somali women look at a smartphone at Dadaab refugee complex, in the northeast of Kenya, on April 16, 2018. (Yasuyoshi Chiba/AFP via Getty Images)

"Look at where [the] powers-that-be are trying to prevent the entrance of Starlink: It's war-torn countries like Sudan, Libya, and Somalia. It's repressive regimes like Congo and Equatorial Guinea, that restrict access to information," Mr. Goldstuck said.

"And it's governments that have vested interests in keeping data expensive, and that have unreasonable rules designed to benefit political elites, like South Africa."

Some African governments slap heavy taxes on private telecom services and infrastructure.

For decades, the data needed to access the internet in Africa has been controlled by just a few multinational mobile telecommunications corporations, including South Africa's MTN Group and Vodacom, and Kenya's Safaricom.

Their data packages are prohibitively expensive.

In July 2022, research by British technology company Cable, published in <u>Mobile Magazine</u>, showed that six of the 10 countries with the most expensive data are in sub-Saharan Africa.

In the tiny, mineral-rich kleptocracy of Equatorial Guinea in Central Africa, one gigabyte (GB) costs almost \$50, the highest price for data in the world. In Chad, 1 GB costs \$24.

Until Starlink's recent arrival, 1 GB was priced at \$26 in Malawi.

An August 2022 <u>report</u> by global statistics service Statista calculated the average cost of 1 GB of mobile data in sub-Saharan Africa at \$4.47.

A one-time hardware and installation cost of Starlink kits, which contain a motorized satellite dish, assorted cables, a metal tripod stand, a power adapter, and a Wi-Fi router, is about the same everywhere: \$550.

But basic monthly subscription prices in the developed world, compared with those in Africa, are very different.

In the United States, for example, Starlink's monthly service fee is \$110. In the African countries that officially have Starlink, the average price is about \$45.

This \$45 package allows users to download 1,000 GB of data, meaning 1GB costs Africans less than \$0.50—nine times cheaper than the average in sub-Saharan Africa.

"This is a no-brainer," said Nigeria-born Makinde Adeagbo, a freelance software engineer who has worked at Facebook, Microsoft, and Pinterest, and is currently based in Silicon Valley.

"It's no wonder African companies are coming up with all kinds of schemes to get access to Starlink," Mr. Adeagbo said.

"Because of the equipment cost, it's too expensive at the moment for the vast majority of Africans to afford. But businesses, government departments, schools, shopping centers ... They sure can afford it."

Starlink's average monthly service fee in African countries is about \$45, compared to \$110 in the United States.



Schoolchildren from Avrankou-Houeze school attend a class at City Hall in Avrankou, Benin, on Jan. 18, 2019. (Yanick Folly/AFP via Getty Images)

Breaking Through in South Africa

South Africa, the nation in which Mr. Musk was born, is potentially the continent's most lucrative telecom market. It's also one of those trying to obstruct Starlink.

South Africa's ruling African National Congress has enacted the Electronic Communications Act, which requires all telecom firms operating in South Africa to be 30 percent owned by "groups and/or individuals historically disadvantaged" by apartheid.

In May, at a tech carnival in Johannesburg, Starlink Director of Sales Phillip van Essen was diplomatic when he addressed the question of why Starlink isn't officially present in Africa's most technologically advanced economy.

"We prioritize the countries that make it easy for us to do business there, open entities, and get regulatory approvals," hetold reporters.

"We respect that every country has their own process. ... and we have a dedicated team that is focused on regulatory efforts globally, including South Africa. We're hopeful that we can resolve the issues and start service here soon."

Since then, however, the government—via its Independent Communications Authority of South Africa— (ICASA), has clamped down on companies offering Starlink packages in the country.

In June, IT-Lec, a firm selling internet access in South Africa's remote Northern Cape province, imported more than 4,000 Starlink start-up kits.

"Because of its portability and ease-of-use—not to mention low cost and high speed—we saw the Starlink kit as ideal for our customers," Mauritz Coetzee, IT-Lec's managing director, told The Epoch Times.

"They stay in the most isolated, rural areas of South Africa, where they're not able to get broadband connectivity because the established ISPs don't operate where they live."

Mr. Coetzee said he didn't "just blindly buy" thousands of Starlink kits.

"My legal advice was that I was completely within my rights to use Starlink's international roaming service," he said.

IT-Lec was able to provide Starlink services for South Africans by purchasing a Starlink International roaming subscription in neighboring Mozambique, where Starlink is authorized to operate, and then selling the required equipment to clients.



SpaceX Starlink 5 satellites in the sky as seen from Svendborg on South Funen, Denmark, on April 21, 2020. (Ritzau Scanpix/Mads Claus Rasmussen via Reuters)

"So my company would not provide a Starlink connection for customers. But it would act as a third party that would take out a Starlink package and import the required infrastructure on customers' behalf," Mr. Coetzee said.

The plan worked well, he said, and IT-Lec soon signed up almost 2,000 people, who could then access the internet via Starlink satellites.

In early December, however, ICASA's legal team served a "cease and desist" letter on IT-Lec, ordering it to stop importing Starlink kits and managing the service on behalf of customers.



We're not a big player, and we don't have the resources or the time to engage the government in court.

Mauritz Coetzee, managing director, IT-Lec

"IT Lec (Pty) Ltd should, within three days of receipt of this letter, stop and refrain (from) acquiring, distributing, and facilitating sale of any Starlink products in South Africa, that will in any form provide satellite access to the Starlink services," the letter reads, in part.

Mr. Coetzee said his enterprise has "no choice" but to comply with the order.

"We're not a big player, and we don't have the resources or the time to engage the government in court," he said.

A banner on the IT-Lec <u>website</u> reads: "All satellite internet services have been suspended. Unfortunately, we cannot provide a timeline for when the orders will become available again."

Meanwhile, Mr. Coetzee is adamant that his company won't abandon the existing Starlink clients.

"I'm discussing another plan with my lawyers. Starlink is licensed to operate in Mozambique, which is just next door. IT-Lec will not provide (Starlink) services anymore; we're also not going to sell any services anymore," he said.



Reporters work in an office at their station in Lagos on June 10, 2021. (Pius Utomi Ekpei/AFP via Getty Images)

"We're going to move everything to a company registered in Mozambique, and it will do exactly what we did."

However, ICASA spokesperson Milly Matlou told The Epoch Times that "anyone who is accessing Starlink services on South African territory is disobeying the law."

If that's indeed so, Mr. Goldstuck said, it's a law that's "impossible" to enforce.

"What do the cops do? Raid homes searching for anything that looks like Starlink equipment? Trace satellite signals from outer space? They can't even trace criminals," he said.

The Epoch Times spoke with a young businessman residing in a middle-class suburb in northern Johannesburg. Charles, who gave only his first name to protect his identity, said he worked mostly from home and used "contacts" to import Starlink equipment.

Starlink's website shows its average download speeds between 100 and 220 megabits per second, compared to 15 to 20 megabits per second from South Africa's traditional ISPs, according to Mr. Goldstuck.

"I signed up for Starlink in May, using a Rwandan address. I connected everything and got superfast internet after activating Starlink's roaming service; I believe it's also called 'portability,'" he said.

"I paid Starlink using Rwandan franc. In Rwanda, the standard monthly Starlink price converted to about 850 rand (just more than \$46 US). Then it was about 200 rand more to enable portability. So I'm paying [Rand] 1,050 (\$57 US) a month for the fastest uncapped connectivity in South Africa."

According to Starlink's website, its users typically experience download speeds between 100 megabits per second and 220 megabits per second.

Mr. Goldstuck said the average speed in South Africa from the traditional ISPs is currently 15 megabits per second to 20 megabits per second.

"Charles is breaking the law and is running the risk of being arrested for violating the Electronic Communications Act. It prohibits anyone in South Africa from accessing services provided by any telecoms company not licensed in South Africa," Ms. Matlou said.



A customer waits at a kiosk next to a sign advertising mobile money services, in Nairobi, Kenya, on Sept. 14, 2023. (Simon Maina/AFP via Getty Images)

Tanzania and Rwanda

The government of Tanzania is also seemingly resistant to Starlink. It's insisting that Mr. Musk's company establish a headquarters in the East African nation before it will consider granting Starlink a license to operate.

However, other countries are "greedy" for Starlink, Mr. Adeagbo said.

The Rwandan government in February began a rollout of Starlink services as part of its efforts to provide high-speed internet in schools.

"Our pilot study involves 500 schools, and it's going very well," Minister of Education Gaspard Twagirayezu told The Epoch Times.

"There are 6,756 schools in Rwanda, and most don't have internet. So, we'll see how our relationship with Starlink progresses.

"If someone can do a better job of something than the state, and for less money, why should we stand in their way? We'll do whatever we can to take Rwanda forward."

While South Africa is "missing in action," others have "no problem jumping on the Starlink bandwagon," Mr. Goldstuck said.



Refugee students attend a class at the Kiziba camp in western Rwanda on Sept. 6, 2016. (Stephanie Aglietti/AFP via Getty Images)

In October, Nigeria-based Jumia, which markets itself as a Pan-African tech company, became the first firm on the continent to join forces with Starlink to expand its technology in Africa.

In terms of the agreement, Jumia will sell Starlink kits throughout Africa, initially in countries where the company has offices, including Algeria, Cameroon, Egypt, Ghana, and Kenya.

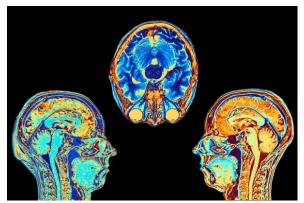
In an Oct. 2 statement, Hisham El Gabry, Jumia's group chief commercial officer, said the agreement with Starlink will drive economic growth.

"Starlink's broadband internet service can revolutionize the way Africans connect, eliminating the limitations imposed by traditional infrastructure, and unlocking a wealth of educational, entrepreneurial, and entertainment possibilities," he said.

For African governments hoping to profit from their continent's poor connectivity and shabby telecom infrastructure, things are about to get worse: Starlink is planning to launch a global mobile phone service as early as next year, offering the world's cheapest international call rates.

"This will take even more money out of state coffers," Mr. Goldstuck said. "There are hundreds of millions of Africans who need to connect with relatives living across Europe and the United States and all over."

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