

Meet the ‘tossers’: the annual forum for tiny telcos

Global gathering on remote Baltic isles to talk tactics on 5G and Huawei



Nic Fildes in Mariehamn

The journey from the smallest nation in South America to the Baltic archipelago of Aland is arduous but Mike Antonius is glad he made the trip.

Flying via Amsterdam to Stockholm before a 12-hour ride on the Cinderella cruise liner alongside heavy-drinking Scandinavian pensioners, the chief executive of Suriname’s Telesur came for Teleforum, an annual meeting of the world’s smallest telecoms companies. Formerly known as the Telecom Operators of Small States, or Toss, some members still refer to themselves as “tossers”.

With just 50 delegates representing 18 businesses from territories such as Liechtenstein, Greenland, Cape Verde and Diego Garcia, the event is dwarfed by the industry’s global gatherings — Barcelona’s Mobile World Congress attracted almost 110,000 people in February.

But the tiny companies’ challenges in an industry under pressure mirror those of global giants such as Vodafone and Verizon. Their revenues may equate to a rounding error for their largest peers but they face the same struggle to increase revenues, particularly since lucrative roaming fees dried up, and to raise cash for 5G network upgrades.

Even the global security debate over Huawei is felt in the foothills of the industry, with this year’s event strained at times by differing views.

Foroya Tele of the Faroe Islands turned on its Huawei-built 5G network during the conference, beating parent state Denmark to the launch of the next-generation wireless technology. That came despite the efforts of a US delegation earlier in the year to warn the nation off the Chinese group’s equipment.

Graeme Millar, chief executive of Jersey's telecoms company JT, whose 5G network launched last year uses equipment from Huawei's Chinese rival ZTE, said there was a danger that the world's smallest telecoms companies could be badly hit by the China-US trade war.

"We were abandoned by the big European vendors," he said, noting that some Teleforum members had as few as 30 masts and so were too small to bother with. "The Chinese welcomed us with open arms. Now we are collateral damage."

Mr Millar was appointed the forum's first chairman this year as the companies — whose combined revenue last year was €2.3bn — formally start to work together to save costs in areas such as research and procurement.

Although it is the smallest end of the telecoms sector, there are deep pockets at play. Monaco Telecom is owned by French billionaire Xavier Niel, while Manx Telecom was sold this year for £255m to an infrastructure fund, the fourth time that the Isle of Man telecoms network has changed hands in a decade.

Others defy gravity. Alcom of the Aland Islands is one of the smallest telecoms companies in the world. With an addressable market of fewer than 30,000 people across a sprawling chain of 6,500 islands, and despite competition in some towns from Sweden's Telia, it eked out a profit on €14m of revenue last year. That belies the arguments of the giants of the European industry that consolidation and scale are essential if profitability is to be restored to a moribund sector.

"It's like the little guy who should be too small to fly, but he does," said Tom Bengtsson, interim chief executive of Ålcom.



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Yet even Alcom is not the smallest. Ian Kelly, chief executive of island specialist Sure, represents networks in Guernsey, the Falkland Islands and the Ascension Islands, where it provides connections for just 800 souls.

The ultimate question for the world's smallest telecoms companies is how to increase revenue in tiny markets with negligible population growth. That often means taking a punt on a new idea.

The need to experiment means smaller companies often lead the telecoms world, setting the pace for the broader sector either as test beds for new technology or by exploring new businesses.

Europe's first 3G network, for example, was in the Isle of Man while Monaco Telecom's 5G network will launch before France auctions the spectrum necessary for its telecoms companies to launch.

Andorra Telecom is exploring how it can benefit from so-called eSims — where the physical SIM card in a phone is embedded and the user can easily switch networks — to replace lost roaming revenue from tourists visiting the Pyrenees principality.

Some of the executives who are veterans of larger telecoms companies enjoy the more nimble culture. "If you have a good idea, it takes 60 minutes rather than six months to see if it flies," said Sutha Siva, chief operating officer of Manx Telecom and an alumnus of Vodafone, Batelco and Ooredoo.

Manx plans to launch a mobile phone brand for the hard of hearing in the UK this year. Greenland's Tele Post is planning a satellite launch that will boost its sales to the maritime sector. Gibraltar's GibTel has carved out a sideline in data centres while Monaco Telecom has expanded into Afghanistan.

Mr Kelly explains that with such small populations, tiny telecoms companies have to be bold and think differently. His network in the Falkland Islands, once part of the imperial Cable & Wireless network, has started servicing wind farms as it looks to offset lost work on the islands related to the UK's exit from the Galileo satellite project. "Anything to make a buck," he said.

Suriname's Telesur has developed an app to help customers in remote reaches of the Amazon rainforest in case of snake bite. But Mr Antonius said the forum had inspired him to do even more: "It made me realise we need to do something different."

The telecoms minnows may face similar challenges but there is not always common ground.

Post Luxembourg's investment in tackling fraud to protect business customers might prove a hard sell in smaller islands where people don't even lock their cars. Mr Millar recalls arriving in Jersey from a stint in Russia and asking his staff when his office was last swept for bugs, only to be reassured that "we had Rentokil in last month".